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The Money Shot:
How the Porn Business Resurrected the Studio System

By

Nicola Jane Simpson ©

A thesis submitted to the Faculty of Graduate Studies and Research in partial fulfillment of the requirements for the degree of Master of Arts

Department of History & Classics

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Faculty of Graduate Studies and Research

The undersigned certify that they have read, and recommend to the Faculty of Graduate Studies and Research for acceptance, a thesis entitled The Money Shot: How the Porn Business Resurrected the Studio System submitted by Nicola Jane Simpson in partial fulfillment of the requirements for the degree of Master of Arts in History and Film/Media Studies.

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ABSTRACT

This thesis will examine the industrial organization of the video pornography industry, primarily housed in the San Fernando Valley area of Los Angeles. More specifically, I will focus on pornography (originally on film, now primarily on video) from 1990 to 2001, investigate how the business works, and how it makes money. It is my belief that the crucial ingredient in the success of the porn business is its adoption of an industrial model based on the Studio System that dominated Hollywood until the late 1960s. Through historical and industrial analysis, I will demonstrate the strong similarities between the Hollywood film industry and the pornography industry, as well as how their respective paths diverged. Vivid Video will be analyzed as a case study of a pornography studio.

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INTRODUCTION

In 2002, it was estimated that the pornography business so vital to California economics and turgid male fantasy around the world generated more than $57 billion dollars in revenue, $12 billion in the United States alone.[1] North American statistics indicate that porn makes more money than Hollywood at the box office, more than the sum of NBC, CBS and ABC's revenues, more than the music industry generates from record sales, and more than all major professional sports in the United States combined.[2] In other words, porn is no longer flirting with the mainstream; it *is* the mainstream. Companies like VCA and Vivid have erected promotional billboards on Sunset Boulevard in Los Angeles, sitting cheek to jowl with advertisements for the latest Hollywood blockbuster. Vivid plugs their releases in airport lounges, while Metro is now a publicly traded company on NASDAQ.[3] Gone are the days of underground productions in seedy warehouses, the "raincoat brigade" lurking in Times Square theatres, and sleazy producers plying performers with cocaine and confidence. Well, almost gone. For the most part, the contemporary

video porn industry is a well-oiled machine of profits more than prostitutes. While academic discussion surrounding porn over the last twenty-five years has focused on textual analysis and sociological study, and on issues of gender and violence, one aspect has been for the most part overlooked--the staggering success of the business itself.

This thesis will examine the industrial organization of the video pornography industry, primarily housed in the San Fernando Valley area of Los Angeles. More specifically, I will investigate how the business works and how it makes money. It is my belief that the crucial ingredient in the success of the porn business is its adoption of an industrial model based on the Studio System that dominated Hollywood from the 1920s until the late 1960s. As porn's success grows, however, so does the business's exposure. The prurient curiosity of the popular press has not always translated into increased academic attention, and the focus of articles in major newspapers and magazines has been on reconciling the stigma of the industry and its healthy revenues. Most recently, a series of features in *The Economist* has expanded the tone of porn coverage,[5] but academic examination of porn has largely been through a sociological lens--studying the relationship

between pornographic images and violence, crime, and women's studies. Some scholars have attempted more critical enquiry in the form of textual analysis or historical examination of the context of hardcore in contemporary society, but until recently little attention has been paid to the sheer volume of porn sales and rentals. Through comparative history of both Hollywood and the pornography industry, I will demonstrate the tremendous similarities between the two, as well as how their respective paths diverged.

At the Hollywood Studio System's height in the 1940s, movies released by the "Big Five" and "Little Three" studios sold more than 85 million tickets per week and generated 90 percent of American box office revenues.[6] Despite the subsequent restructuring of Hollywood in the 1950s, the industry remains oligopolistic; the major studios still produce nearly half of all feature films. Regardless of anti-trust regulations and the popularity of quasi-independent film, the major studios continue to arrange themselves to meet synergistic goals in an increasingly conglomerate environment wherein a single corporation owns different media, such as television networks, movie studios, publishing houses and music

companies. After all, how is it disadvantageous to the company if it owns the rights to a book, which can then be made into a movie with accompanying soundtrack, interactive games, DVD and videos, television spin-off, amusement park ride, and so on? This kind of multinational media conglomerate may be currently dominating mainstream Hollywood, but the adult film industry has decided to build on a previously successful business model--the Studio System. The Studio System's largely vertically integrated nature made it possible to control each film's production and distribution in different windows, from controlling each phase of production to owning the theatres that the movie would eventually play in.

The thesis is organized into four chapters plus a conclusion. In chapter 1, I will briefly examine the history of the Studio System in Hollywood, including its distinguishing features and successes. Chapter 2 will provide a similar narrative for the film and video pornography industry in North America. The points of convergence between the two systems will be detailed in chapter 3, particularly the star system, organized distribution and exhibition, flexible specialization, product differentiation, and the use of new technologies.

Chapter 4 will provide a case study of a major porn production company, with special attention paid to the above distinctions. There are some limitations to this study. First, an examination of self-regulation and censorship, although integral to an understanding of the film business, is far too overwhelming a topic to be included here. Second, the focus of this thesis will be solely on Hollywood and the porn industry in Southern California, regardless of successful ventures in New York, Montréal, and outside North America altogether. Last, but not least, this study concentrates on the video porn industry, not the remarkably rapid growth of Internet pornography.

As pornography itself is difficult to define and categorize, this project has benefited from the jurisdiction of more than one department. While this is an interdisciplinary thesis drawing on the fields of History and Film/Media Studies, the influence of colleagues in Sociology and Marketing, Business Economics and Law have strengthened (if complicated, at times) my research. This convergence between art and commerce means that this thesis is a bit of a square peg in a round hole; its quadrilateral nature requires the conciliation of vastly different

theories and methodologies. For the most part, my methodology draws on what a historical approach can bring, industry statistics, published interviews with porn producers and performers, and a case study. Although the historiography on the Studio System is quite deep, there is no similar treatment of the porn industry in current sources. My reliance on popular press articles, as well as information generated by industry insiders, is problematic in itself, as I will explain in chapter 2. Much of the information presented here originated in the context of more sociologically oriented sources, or even editorial pieces. All these secondary sources should be approached with caution. Also, as neither Hollywood nor the adult film business is a discrete entity, overlap and contradiction between sources is common. Primary source material from studio vaults and libraries are not equally available, and often disorganized and incomplete. Trade papers, such as *Variety* and *The Hollywood Reporter* have proven to be an invaluable resource for historians in lieu of official studio records, but any primary source (or secondary, for that matter) may be mitigated by numerous biases, professional or otherwise.

The dearth of academic resources in this area has made for challenging research. But despite the red faces of computer network support at the University of Alberta, I have been very lucky to encounter few roadblocks, other than fleeting time and other professional commitments.

The times when I have stumbled over this thesis were never due to a lack of interest or support. Indeed, the pornography industry is one that fascinates most people, including myself. It is a business that generates both significant revenue and cultural impact, but remains shrouded in mystery to mostviewers. My ambitious goal was to reveal the hidden layers of this industry and explain how and why the business is so successful. In further research, it would be worthwhile to examine not only how the porn business has used the Studio System model with great success, but why mainstream Hollywood has yet to jump on the same bandwagon. Perhaps the increasingly global and horizontally integrated nature of media companies today prevents the narrow focus required to render such a model useful. In order to fully understand the success of porn's industrial organization, however, it must first be analysed in the context of the Studio System model.

[1] "Pornography Statistics 2003," n.d., http://www.familysafemedia.com/pornography statistics.html, accessed May 15, 2003.

[2] Frank Rich, "Naked Capitalists," *The New York Times Magazine* (May 20, 2001), 51. Also Holman W. Jenkins, Jr., "Porn Again: An Industry Fantasizes About Respect," *Wall Street Journal* (April 1, 1998), A19. These heady statistics are the subject of an on-going debate about the accuracy of porn industry reporting. See Emmanuelle Richard, "The Naked Untruth," May 23, 2002, http://www.alternet.org/story.html?StoryID=13212 (accessed May 20, 2003). Also Emmanuelle Richard, "The Perils of Covering Porn," *Online Journalism Review*, June 6, 2002, http://www.ojr.org/ojr/business/1017866651.php (accessed May 20, 2003).

[3] Frank Rich, "Naked Capitalists," 55.

[5] *Ibid*, 56.

[6] Alan Paul and Archie Kleingartner, "Flexible Production and the Transformation of Industrial Relations in the Motion Picture and Television Industry," *Industrial and Labor Relations Review* 47(4)(July 1994), 665-666.

CHAPTER ONE:

THE STUDIO SYSTEM IN HOLLYWOOD

Hollywood in the 1930s has often been referred to as a "dream factory." Although international cultural policy-makers and business leaders continue to contest the value of motion pictures as commodities or cultural artifacts, there is little argument over the enormous success of the industrial organization of Hollywood in the Studio Era. The "Big Five" studios--Metro-Goldwyn-Mayer (Loew's), Twentieth Century-Fox, Warner Bros., Paramount, and RKO (Radio-Keith-Orpheum)--dominated the movie business, supplemented by the "Little Three" (Universal, Columbia, and United Artists).[1] The industry owed much of its success to a codified structure of vertical integration, the star system, and a dizzying schedule of production and distribution.

At the height of the Studio System in the mid-1930s to late 1940s, these eight companies produced and released more than 500 films in a year, employed almost more than a quarter of a million people, and held the reins of every aspect of the industry, from property acquisition and development to theatrical release and marketing.[2] As Robert

Brady put it, "One might regard the movie industry as dominated by a semi-compulsory cartel."[3] This cartel was ultimately toppled by accusations of anti-trust violations and government discomfort with the sheer power demonstrated by this "mature oligopoly," though not before this system had begun to falter economically, for a variety of reasons. Although studio ownership of exhibition chains accounted for less than twenty percent of theatres in the United States, motion pictures distributed by these companies accounted for nearly seventy percent of total box office receipts.[4] Despite limited theatre ownership, the studios wielded significant control over distribution in the major markets, leaving smaller and "poverty row" studios clamoring for the few opportunities for national exposure left to them.

The success of the industry depended on a highly organized system of management, creative and production personnel, and schedules tightly enforced by studio heads, producers, and the "money" back east. For while Hollywood was the centre of motion picture production, head offices and financing still called New York City home. Debate over the role of financial institutions in film production, however, has been downgraded in most academic circles to

mere curiosity. As Robert Sklar has pointed out, the key is not "who owns the movie companies but who manages them."[5] In today's media conglomerate climate, ownership and management are often inseparable.

Mae Huettig, one of the first writers on the industrial organization of Hollywood in the Studio Era, described this vertically integrated structure as "a large inverted pyramid, top-heavy with real estate and theaters, resting on a narrow base of intangibles which constitute films."[6] This pyramid has grown over the years, been knocked down and rebuilt and annexed so much that the top-heavy structure that Huettig envisioned can now only teeter on an increasingly narrow foundation.

As a result of the structured corporate environment of film production in Hollywood, motion pictures were distinguished by studio style and personnel, rather than individual artistic expression. Movies reflected a fusion of the style of the writer, director, actors, and even cinematographer and art director, but this style was ultimately superceded by the "style" of management and production operations of the studio. Some studios became known for musicals, others for comedy or melodrama, and studio signatures were usually obvious on most films.[7] This

product differentiation has been considered by most scholars to be critical to the Studio System's success.[8] Certainly it created an environment that encouraged clear competition among products, and provided for highly stratified roles based on that differentiation. For example, directors and writers, not just performers, were successfully branded by the studios. Therefore it is crucial to examine the organization of the industry as a key (if not the most important) factor in film production.

Furthermore, in order to understand the nature of the contemporary film industry, and thereby the contemporary *adult* film industry, it is critical to track the historical progress of industrial organization and business practices that have shaped the movie business. The saying "history repeats itself" is rarely more true than in Hollywood. It is a town and an industry that is built on repetition, be it in the name of homage or derivativeness. In American cinema, not only are genre conventions and acting styles "borrowed," but as I will demonstrate, also industrial models that may predict, if not determine, commercial success.

To provide a more detailed overview of the structure of the industry, I will focus my attention on Hollywood in

the mid to late 1930s, and more specifically, on the common organization of the Big Five studios. While certainly the model of the Studio System stretched before and beyond this relatively arbitrary date, by 1936-7, though still recovering from bankruptcy, stock value plunges and massive layoffs at the beginning of the decade, the studios for the most part had weathered both the transition to sound pictures and the Great Depression that was suffocating the rest of the United States.

There is a considerable historiography on early Hollywood and the Studio System and one danger of a survey such as this is the potential for generalization and exclusion of specific circumstances and specialized data. As John Izod has noted, an historical survey of any industry is never complete nor objective.[10] I draw on the in-depth history and analysis provided by Tino Balio, Janet Staiger, David Bordwell, Kristin Thompson, Douglas Gomery, Robert Sklar, and other scholars to provide a synthesis of the commercial film industry in the United States in the 1930s. Some primary sources from this era have also been valuable. Hollywood is nothing if not self-absorbed, and the prominence of early studies of the industry bear that out. No fewer than half a dozen books were published in

the 1930s describing and analyzing the movie business, from critical and popular perspectives. But even the weightiest of these early studies are lacking in major ways. Benjamin Hampton's book saw the industry through 1931, just before a series of cataclysmic changes.[11] Howard Lewis's study did not go much further. Lewis Jacobs's *The Rise of the American Film* attempted an academic analysis of the business, but still fell short of being exhaustive or even objective.[12] Hortense Powdermaker's account of the industry, however fascinating, suffers from the influence of the ethnographer or anthropologist's mere presence--in other words, any society being studied will be changed by the presence of the observer, either unconsciously or in a knowing effort to present an image. In short, any writings on Hollywood in the 1930s and 1940s were likely to be tempered by subjective narrative, fanciful descriptions, cynicism, censorious or celebratory remarks.

Before the Camera

The first stage in moviemaking is development. This involves acquiring literary properties for screen adaptation, commissioning scripts from screenwriters, buying "spec" scripts (written without a deal in place),

and planning and shaping stories for the screen. In the studio system, as now, scripts were developed with certain talent in mind--both in front and behind the camera. Unlike today, however, the majority of writers were under contract to a specific studio, and had little lateral mobility. Among the best-known screenwriters of the day, Frances Goodrich and Albert Hackett (*The Thin Man, Lady in the Dark*) and Ben Hecht (*Wuthering Heights, Scarface*) were "owned" by MGM, Dudley Nichols (*Bringing Up Baby, Stagecoach*) by RKO, and Preston Sturges (*The Lady Eve*) was under contract to Universal before his move to the director's chair.

Even the best-known writers in studio stables, despite increasing union organization, enjoyed little independence and even less creative control over their products.[13] Scripts were rattled off at a breakneck pace, sometimes in less than a week and down to the wire before principal photography began on the project. They were also constantly altered during production, on the (not always wise) advice of the producer and studio head. There is an old joke in Hollywood that reveals some of the frustration the writer must have felt. How many producers does it take to change a lightbulb? Answer: Does it have to be a

lightbulb? Writers who were interested in enlightening audiences instead of entertaining them had no place in the Studio System. And the writers who bent to the system were well-paid for their loyalty. The draw of Hollywood for an author may have begun as zeal for a wide and captive audience for their work, but was soon replaced by the simple desire for a steady (and healthy) paycheque.

Like any other collaborative production, filmmaking began with a skeleton outline. The outline was soon joined by a script synopsis, treatment (ranging from twenty to eighty pages on average), recommendations on how to approach production, increasing story notes from the powers that be, drafts, and finally a shooting script. But the process did not end with "The End." Very often a script would be junked within the first few days of shooting, and another studio writer brought into rework it.

Still, writers were always considered an integral component to the industry, for it is understandably difficult to make a movie without a script. But it often took several writers to create the final product. It was not unusual for a team of writers to cobble together rewritten scenes and revised dialogue to assuage the demands of actors, the director and the producer (who was

often also the studio chief). Each studio contracted writers with different strengths, and assigned them pictures based on those strengths. Need to make your screwball comedy funnier? Bring in the resident romantic comedy writer. Want some gritty violence? Attach someone else to the picture to make those pages better. In many cases, if the script was found unsatisfactory, the producer would simply rewrite it himself. Ultimately, writers in Hollywood in the Studio Era were considered ants more than artists. As one person put it, "writers in Hollywood do not have works, but are workers."[14]

Behind the Camera

Once the script was approved, and the project "greenlighted," the studio boss began assembling above the line talent.[15] This included the director, actors, and very often the director of photography.

The directors, save for a few who managed to stamp their personality on a motion picture, were as pragmatically used by the studio as were the writers. Directors were usually assigned to projects near the end of the development process, if not at the last minute. They often received the script only days before shooting began,

granting them little to no time for preparation. And certainly the expeditious shooting schedule barely allowed for sleep, much less artistic conception (the average picture rarely took more than a month to shoot, in comparison to the three to four months the industry averages now). Expected to work on approximately six pictures a year, directors were as much assembly-line workers as screenwriters were.[16] They were hired more for their efficiency in bringing a picture in on schedule and on or preferably under budget than for any creative vision.

While Thomas Schatz and other scholars have explored what auteurism existed in the Studio System (e.g. Ernst Lubitsch, Frank Capra, Howard Hawks, John Ford, Josef von Sternberg), the consensus seems to be that the industrial mode of production predominant in this time made individual expression difficult, if not impossible. Apart from exceptions such as George Cukor, Leo McCarey, William Wyler and others, the role of the director in the Studio Era was rather similar to the role of the Line Producer in today's production environment--he focused more on the running of the set rather than artistic goals.[17] Those he deferred to the studio producer in charge of the film.

Up until the mid-1930s, studio management was

centralized in the form of a top executive producer, such as Irving Thalberg at MGM, Darryl Zanuck at Warners, and Jesse Lasky at Paramount, who oversaw all aspects of in-house motion picture production. Exacerbated by rising costs and plummeting profits, and the musical chairs played by studio heads and producers, this management system shifted to the "producer-unit" system, which put less pressure on one person, and allowed for more high-level producers to commit to projects that they could supervise until the end. One of the most vocal producers at MGM in the early 1930s, David O. Selznick, defended the new system by appealing to the pocketbooks of studio executives. He pointed out that unit production would save an individual company between thirty and forty percent of overhead, and moreover, would endow the director with some level of creative power.[18]

Though some scholars refer to this transformation as "decentralization of production," Bordwell et al rightly point out that the system remained highly centralized, but for the changing role of producers.[19] Below the line costs continued to be organized uniformly, and the demands on union technicians and artists to handle the nuts and bolts of picture-making did not change significantly once their

bosses did. Change in that labour sector, and in fact for all film production workers, would come with unionization.

The 1930s in Hollywood was a time of significant labour organization and upheaval, as it was around the country, and pitted producers against, well, everyone else. In the early 1930s, the studios operated with little interference from labour unions.[20] However, by 1933 there was widespread dissatisfaction with the more than ten-year-old Studio Basic Agreement (SBA). Negotiating the SBA was difficult, as it was not a contract, but an agreement to negotiate issues of salary, working hours and conditions. Roosevelt's creation of the National Industrial Recovery Act (NIRA) in June 1933, and more specifically, the National Labour Relations Act (NLRA) in 1935, helped bring together the revived Screen Writers Guild (SWG) and the young Screen Actors Guild (SAG) with a common purpose. The goal was to discredit the producer-friendly Academy of Motion Picture Arts and Sciences and revise the SBA to their satisfaction.[21] The NIRA also sanctioned, if complicitly, the increasing collusion between the major and minor studios to command the market, and by the time the NLRA was declared unconstitutional in 1935, the system of oligopolistic studio control was entrenched.[22]

In 1936, seventy-five directors formed the Screen Directors Guild (later known as the Directors Guild of America) with the objective to overthrow the producer-heavy system of production, and assert more creative freedom. It was not until 1939 that they were granted more latitude over their projects (to the detriment of the producers, it was believed), and earned the more successful directors the opportunity to produce their own pictures.[23]

The oldest and largest union in Hollywood, the International Alliance of Theatrical and Stage Employees (IATSE or IA), had scattered from the impact made by rival craft unions and fights over jurisdiction in 1933.[24] IA members did not at that time comprise the majority of film technicians, but the exploits of Willie Bioff and George Browne would soon change that. Bioff and Browne concocted a plan to extort money from theatre owners on behalf of IA and the crime syndicates pulling the organization's strings. Much violence and agitation followed, including threats of walkouts by projectionists across the country and moves against the International Brotherhood of Electrical Workers (IBEW). Apprehensive of the growing power of the American Federation of Labor (AFL) and the Committee for Industrial Organization (CIO, soon to be the

Congress of Industrial Organizations), film producers struck a deal with IA. In return for IA control over key workers in the industry, the union would call a phony strike, allowing studios to offer IATSE a closed shop deal--the first in Hollywood--without letting in the "unruly rabble" of the CIO.[25] Overnight, IA membership soared from 100 to more than 12,000.[26]

Actors, long believed to be temperamental and demanding, realized that they could borrow on their "star power" to improve their working conditions and contract terms, clearly negotiable under the NLRA. Studio management, as in other industries, mostly ignored the NLRA and associated labour provisions, until performers threatened to strike in 1937, at which point the studios ceded to SAG.[27] Actors who refused to work for ideological reasons had producers over a barrel--their precarious personal finances were nothing compared to the potential loss to the studio, both in terms of box office revenues and visibility.

In Front of the Camera

In the 1930s, MGM claimed to house "more stars than there are in heaven."[28] Certainly they had their share,

including Greta Garbo, Judy Garland, Katherine Hepburn, the Marx Brothers, Joan Crawford, Norma Shearer, Clark Gable and Mickey Rooney. This slogan churned out by the studio's publicity arm may be a bit hyperbolic, but there was no denying the crucial role that performers played in the Studio System.

Stars were the backbone of the industry in production, distribution and marketing. As Balio notes, production focused on the creation and development of the star's image, through lighting, hair, make-up, narrative and acting styles. Scripts were developed as vehicles for specific performers. Directors developed close working relationships with actors to ensure mutual success, such as Josef von Sternberg and Marlene Dietrich, and George Cukor and Katharine Hepburn. A successful star could guarantee positive box office results, if not a product of quality, which the studio could extrapolate into more advantageous theatre rental pricing.[29] Even their personal lives were shaped and shared with audiences through fan magazines, studio publicity, and well-placed gossip items.

Thomas Schatz, Cathy Klaprat, and Jeremy Butler have examined the star system of the 1930s, and agree on at least one point--though the impact of the star system on

narrative products in Hollywood was obvious, it is equally important to recognize its economic significance. As Klaprat notes, the star's value as a commodity that would reduce the risk for a studio was only bolstered by the in-house publicity machine and fan magazines' coverage. Contrary to popular belief, stars were almost never wide-eyed dancers, models and farm-girls, fresh off the bus, "discovered" by Some Important Person at the local drugstore. Stars in Hollywood at this time were manufactured by those who would profit the most off them--the studios. New and rising stars suffered name changes, altered styles, voice and movement lessons, and were molded into a viable commodity for the studio. In *A Star is Born* (MGM, 1937), Hollywood acknowledged the often ridiculous nature of the business, which the *New York Times* called "glittering, tinseled, trivial, generous, cruel and ecstatic" in their review.[30] Stars' literal visibility made the success of this process far more critical than the dexterity of writers and directors.

In addition to the centralized control over labour, the Studio System boasted a significant hold over most onscreen talent. Despite protection by SAG over issues of working hours and conditions, the contracts of major actors

were owned by the studios, giving them as little choice as was afforded to directors and writers. Stars provided insurance value and a recognizable trademark for the studio, and the powers that be would squeeze every last dollar possible out of them. Should a performer refuse a role that the studio wanted them to play, they could be suspended without pay for breach of contract. And there was a great deal of money to be lost by suspension, not to mention prestige and reputation.

As the studio had complete power over whether or not to extend the actor's contract, performers were more likely to bend to the studio's wishes to avoid job insecurity or unemployment. Sometimes this meant biting your tongue as the studio "loaned you out" to another--after all, "an idle star was a heavy overhead expense."[31] Weekly salaries were paid, whether the performer worked or not. The "loan" was more of a rental, however, at the star's minimum salary, plus a significant surcharge, which proved economically beneficial to the home studio, and the smaller company searching for success in the form of a bankable star.[32]

The contract terms also gave the studio control over the star's image. Some scholars have argued that the key to success for the movie industry was product

differentiation, particularly in the Studio System. Product differentiation in most other businesses is generally understood as dynamism in a product in order to appeal to different markets. In the motion picture business, this translates to creating uniqueness in the supply in order to meet different demands. In other words, studios changed a star's appearance or persona to fit the narrative (or vice versa), and consumer demand. Klaprat examines Bette Davis as an example of the way the studios, in this case, Warner Bros.) experimented with different characters and stories in the early 1930s before discovering who "Bette Davis" was. Klaprat concludes that the "correct role for a star was determined by market indicators, and once found, became the basis for constructing mythical accounts of the star's personal life."[33]

Thanks to the hardworking studio publicity departments and popular magazines, such as *Photoplay* and *Silver Screen*, the definition between the star's on-screen persona and real life became increasingly blurred. Publicists churned out press releases, posters, lobby cards, newspaper advertisements, merchandising tie-ins, even gossip items to lure both the popular press and the viewing public, not to

mention exhibitors and industry press. Dates and social events were obsessively planned and organized to feature the performer's more valuable assets, be they body parts or personalities. A screen "sex goddess" would be unlikely to arrive at a premiere in a tweed suit with her hair scraped back and tightly pinned. In the popular press, it was unusual for a "candid" photospread to differ much in image and style from the roles that the star played, and vice versa. Fan magazines only intensified this new celebrity culture, encouraging audiences to collect still photographs, signatures and interviews.

After the Camera

The Studio System's success can be attributed to these centralized modes of production and talent manipulation, but also, and perhaps most importantly, to the system of vertical integration that included exhibition chains. A star might create a ready-made audience, but it was not much use to the studio without a ready-made venue.

Independent film companies had suffered the most from the blow of the Code of Fair Competition (1933), which resulted in legally sanctioning *unfair* distribution and exhibition practices of the Majors.[34] The most egregious

and popular practices were block booking, blind bidding, zoning and price discrimination. Block booking required theatre owners to rent films in bulk from the studio, which often meant accepting less popular rentals with B-list stars in order to secure a bigger picture. Blind bidding forced theatre owners to rely on past experience and laws of probability to estimate rental success of an unseen film. Less cagily, unfair zoning laws and rental pricing proved a great advantage to studio-owned theatres, particularly in urban markets. Not only did the Majors control almost all first-run theatres in the ninety-two American cities of more than 100,000 people, but they also had acquired a significant number of marginal theatres in small towns.[35] The Majors each had their respective finger in a piece of the American pie: Paramount in the South, Midwest and New England; Loew's/MGM in New York City; and Warner Bros along the Eastern Seaboard. They could apportion out moviegoers and their money with equanimity. In addition, the run-zone-clearance system, which determined a movie's run period and status and, more importantly, the waiting period between the first and second run, allowed the studios to squeeze every last penny they could from the exhibition business.

Despite the rigors of studio publicity machines, market research departments, and handfuls of staff members poring over fan mail, audience surveys and popular reviews, there was no distinct formula for a motion picture's success. Howard T. Lewis, in his 1933 study of the business, noted that "the method followed is still one of guessing; the producers don't know just what the public wants, and it is doubtful if they ever will know."[36] Economists and business historians have attempted to figure it all out, but contemporaries of Lewis and subsequent industry analysts ended up shrugging their shoulders in defeat.

The Fall of the Studio System

In 1938 the Justice Department launched an anti-trust suit against the major studios, with the aim of dismantling the vertical integration of the motion picture industry. The suit took one step forward and two steps backward over the next ten years, while Hollywood basked in the glow of sky-high box office revenues and popularity. But in 1949, the district court demanded that the studios divest themselves of theatre chains--the most contentious issue in the suit. Despite some studios dragging their feet over

compliance, the "shared monopoly" was essentially over.

The Paramount decree forced the competition of quality, not quantity. Studios now had to compete in the market based on the intrinsic value of their products. This market was becoming increasingly crowded as television lured families away from theatres.

In 1946, the annual American box office was at an all-time high of $1,692,000, even with a *third* fewer releases than in the seven years previous. But as television grew more popular, particularly with young families of the post war Baby Boom, box office revenues plummeted to nearly half that by the early 1960s.[37]

Reorganization of the industry was further hampered by the inequalities between the studios. The Little Three, only partially integrated between production, distribution and exhibition, were able to comply with the ruling with relative speed, if not ease. Some studios, such as RKO, painfully discovered that their only profits in recent years had come from their exhibition interests. But for the most part, the smaller studios benefited from the Majors' divestiture. Columbia and Universal's rentals increased by nearly forty percent in the eight years following the decree, and United Artists' box office

revenues jumped nearly eighty percent.[38]

Predictably, the Majors were dragged, kicking and screaming, into compliance. The loss of theatre rental revenue was intensified by slipping audiences and increased production costs. They were forced to cut back manpower drastically in the late 1940s and early 1950s, failing to renew stars' contracts and even paring down executive salaries. Ironically, it would be television that would turn things around for the studios. Most companies, faced with the reality that the novelty of TV was not going to wear off any time soon, decided that "if you can't beat them, join them," and got in the lucrative business of producing and supplying episodic television.

Recent economic analysis of the Studio System suggests it should be praised for its successful industrial organization, not censured. As the studios argued throughout the 1930s, commercial movie production was a *business*, not an art, a defense most often mounted against accusations of questionable product quality. Though the system was criticized for turning artists into automatons and frog-marching workers through a mode of production that was at its best formulaic, and at its worst, dehumanizing and inflexible, subsequent historical analysis begrudgingly

tends to be on the side of the studios. Until the late 1980s, film historians tended to see Wall Street as the omnipotent power in the movie business during the 1930s. Howard Lewis and Lewis Jacobs's works supported this thesis, as did subsequent critical scholarship. In the 1980s, however, Douglas Gomery, Thomas Schatz, Robert Sklar and others suggested an alternative model of corporate power based on management rather than ownership.

In their seminal book, *The Classical Hollywood Cinema: Film Style and Mode of Production to 1960*, David Bordwell, Janet Staiger, and Kristin Thompson acknowledge the benefits of this codified structure. As they put it, "the tension between standardization and differentiation allowed two worthwhile goals for workers: first, a standard of making a quality film; second, the encouragement to innovate, to redefine that standard."

This conflict remains in Hollywood today, but is somewhat diluted by the influence of vertical integration and multi-national corporate media mergers, as well as increasing audience fragmentation. Few identifying features of the Studio System still exist in mainstream Hollywood. One film production business that has successfully borrowed this model and maintained this

tension is the adult film industry.

[1] United Artists was ultimately acquired by MGM in 1981. Joel Finler, *The Hollywood Story* (New York: Crown Publishers, Inc., 1988), 116 (insert).

[2] Finler, *The Hollywood Story*, 280-289.

[3] Tino Balio, *The American Film Industry* (Madison: The University of Wisconsin Press, 1985), 254. Robert A. Brady, "The Problem of Monopoly," *Annals of the American Academy of Political and Social Science* 254 (November 1947): 125.

[4] Balio, *The American Film Industry*, 253-5.

[5] Robert Sklar, *Movie-Made America: A Cultural History of American Movies* (New York: Vintage Books, 1994), 164. See also F.D. Klingender and Stuart Legg, *Money Behind the Screen* (London: Lawrence and Wishart, 1937), and Janet Wasko, *Movies and Money: Financing the American Film Industry* (Norwood, NJ: Ablex Publishing, Inc., 1982), for further exploration of the financial control of Hollywood.

[6] Mae Huettig, *Economic Control of the Motion Picture Industry: A Study in Industrial Organization* (Philadelphia: University of Pennsylvania Press, 1944), chapter 11. Cited in Balio, *The American Film Industry*, 261.

[7] Thomas Schatz, *The Genius of the System: Hollywood Filmmaking in the Studio Era* (New York: Pantheon Books, 1988), 6.

[8] See Danny Miller and Jamal Shamsie, "Strategic responses to three kinds of uncertainty: product line simplicity at the Hollywood film studios," *Journal of Management* 25 (1)(Jan-Feb 1999): 97-98; and Neil Gandal and David J. Salant, "Hollygopoly: oligopolistic competition for (Hollywood) movies: Recent Competition Issues in Telecommunications," *Antitrust Bulletin* 40 (3)(Fall 1995): 699-712 for more detailed analysis.

[10] John Izod, *Hollywood and the Box Office, 1895-1986* (New York: Columbia University Press, 1988), xi-xii.

[11] Benjamin Hampton, *History of the American Film Industry: From its Beginnings to 1931* (New York: Covici, Friede, 1931).

[12] Lewis Jacobs, *The Rise of American Film: A Critical History* (New York: Harcourt, Brace and Company, 1939). Jacobs, an avant-garde documentary filmmaker himself, was criticized for having too close ties to Hollywood.

[13] For a more in-depth history of labour unions in Hollywood, see Mike Nielsen and Gene Mailes, *Hollywood's*

Other Blacklist: Union Struggles in the Studio System (London: British Film Institute, 1995); and David F. Prindle, *The Politics of Glamour: Ideology and Democracy in the Screen Actors Guild* (Madison: The University of Wisconsin Press, 1988). Also helpful is Giuliana Muscio, *Hollywood's New Deal* (Philadelphia: Temple University Press, 1997).

[14] Hortense Powdermaker, *Hollywood the Dream Factory: An Anthropologist Looks at the Movie-Makers* (New York: Little, Brown and Company, 1950) 150. For a more bilious view of the relationship between writers and Hollywood, see Richard Fine, *Hollywood and the Profession of Authorship, 1928-1940* (Ann Arbor, MI: University of Michigan Research Press, 1979).

[15] In some cases this process was reversed, relying on the bankability of an established star and/or director to ensure success, no matter what the story was about.

[16] Tino Balio, *Grand Design: Hollywood as a Modern Business Enterprise, 1930-1939* (Berkeley: University of California Press, 1993) 81.

[17] For more information on the role of the Line Producer in the contemporary film industry, see Paul Maslansky, "The

Line Producer," *The Movie Business Book*, ed. Jason E. Squire (Englewood Cliffs, NJ: Prentice-Hall, Inc., 1983), 207-221.

[18] David Bordwell, Janet Staiger, and Kristin Thompson, *The Classical Hollywood Cinema: Film Style and Modes of Production to 1960* (New York: Columbia University Press, 1985), 321. Ironically, Selznick is regarded by most film historians as the "true" director of most pictures under his supervision after his break from MGM and the installation of his own production company. His megalomaniacal involvement in productions such as *Gone With the Wind* (1939) has been well-documented. See Rudy Behlmer, ed., *Memo From David O. Selznick* (New York: Viking Press, 1972), and Herb Bridges and Terry C. Boodman, *Gone With the Wind: The Definitive Illustrated History of the Book, the Movie, and the Legend* (New York: Simon & Schuster, 1989). After the Second World War, the system shifted once again, this time to prefer a "package-unit", in which talent agents represented actors, writers, and directors, and could negotiate openly with the studio over contract terms.

[19] Bordwell et al., *The Classical Hollywood Cinema*, 322.

[20] Nielsen and Mailes, *Hollywood's Other Blacklist*, 14.

[21] *Ibid*, 8-12. The authors also note that the unions were not always successful in the 1930s, citing the two-year breakdown in negotiations between producers and SAG/SWG over the definition of motion picture production as interstate commerce or indigenous business (25).

[22] Thomas Schatz, *The Genius of the System*, 160.

[23] Tino Balio, *Grand Design*, 79-81.

[24] Balio, *The American Film Industry*, 273-276. IATSE was formed in 1893 as an association of theatre workers. It expanded to include film projectionists in 1907, and was renamed the International Alliance of Theatrical and Stage Employees and Moving Picture Machine Operators in 1915.

[25] Nielsen and Mailes, *Hollywood's Other Blacklist*, 18.

[26] Sklar, *Movie-Made America*, 172.

[27] Balio, *The American Film Industry*, 274.

[28] The talent at MGM boosted the company to the most successful studio in the 1930s, producing half of the highest-grossing pictures in the decade (Tino Balio, *Grand Design*, 411, Appendix 3).

[29] Tino Balio, *The American Film Industry*, 115.

[30] *New York Times Financial Review*, April 23, 1937. Cited in Tino Balio, *Grand Design*, 207.

[31] Balio, *Grand Design*, 157.

[32] Balio, *Grand Design*, 157-8. Balio notes that this practice helped keep the Little Three (RKO, Universal and Columbia) afloat in the turbulent 1930s.

[33] Cathy Klaprat, "The Star as Market Strategy: Bette Davis in Another Light," in Tino Balio, *The American Film Industry*, 369.

[34] Barry R. Litman, *The Motion Picture Mega-Industry* (Needham Heights, MA: Allyn & Bacon, 1998), 12.

[35] Douglas Gomery, *Shared Pleasures: A History of Movie Presentation in the United States* (Madison: University of Wisconsin Press, 1992), 60.

[36] Howard T. Lewis, *The Motion Picture Industry* (New York: Van Nostrand, 1933), 94.

[37] Finler, *The Hollywood Story*, 288.

[38] Izod, *The Hollywood Box Office*, 123-4.

CHAPTER TWO:

PORNOGRAPHY IN THE TWENTIETH CENTURY

The definition of pornography is a contentious issue, debated by academics, lawmakers, and activists. Never was this debate more prominent than in the 1960s and 1970s, when obscenity laws in the United States were being challenged on a regular basis. Supreme Court Judge Potter Stewart threw up his hands in 1964 and offered the public an overly simplified demarcation of the line between eroticism and obscenity: "I know it when I see it."[1] While this may sound vague and flippant, Stewart's assertion nonetheless is shared by countless others who have struggled to define pornography over the last century, and those who have been reluctant to do so. The denotation of pornography is further complicated by its inherently dynamic nature. Cultural expectations, contexts and limitations of sexual arousal are constantly changing, and it may be easier to pin down a suppliant porn star than a consistent standard for obscenity.

Regardless of the lack of a concrete definition, porn is a big business, encompassing magazines, short and feature-length motion pictures, books, images, graphic

novels and art. Current estimates place American porn revenue in the billions of dollars. Some major adult entertainment companies today make more money than their mainstream Hollywood studio counterparts. While the main goal is to make money, the intent of "adult entertainment" is primarily to titillate and arouse, usually to the point of masturbation and, ultimately, sexual gratification. By this token, innumerable images and prose could achieve this, but for our purposes we will define porn as material which is not only sexually provocative, but also explicit. Furthermore, as this thesis will focus on motion picture porn (originally in film form, now predominantly video), my summary of the "porn business" will omit all but tangential discussion of printed or non-audiovisual products (i.e. books, magazines, toys, CD-ROMs). I will also focus my analysis on primarily "vanilla" heterosexual encounters.[2] This is not meant to disregard the volume and popularity of gay porn and specialty sub-genres; it is only the stipulation of practicality.

In order to understand the vagaries of the contemporary porn business, we must have a context in which to place its evolution. In the next chapter I will examine specific characteristics of industrial organization and

strategies shared by both porn and its more legal (and somewhat less seedy) counterpart, the Hollywood film industry, including the star system and vertical integration. Given my argument that the history of the adult film industry mirrors that of Hollywood, and particularly the Studio Era, the basis for this comparison would be meaningless without a historical map of the porn industry through which to navigate.

Stags and Motels and Beavers, Oh My!: 1900-1970

Before the 1960s, the pornographic film industry was mostly characterized by low-budget private production and covert exhibition. On the whole, the production and distribution of sexually explicit films was less structured and certainly less profitable in previous decades.

In 1895, the Lumière brothers introduced Paris audiences to motion pictures. These abbreviated films highlighted documentary as well as "staged" images, utilizing elements of shock, surprise, and humour to impress audiences. As the equipment and expertise became more widely available, so did films, particularly those for specialty markets. The porn business has always embraced new technologies, and even before the Lumière brothers'

exposition, pornographic photo stills and pre-cinema technologies such as the praxiscope projector for showing animated drawings had already captured nude images.[3]

It was a logical leap to progress from sexually explicit photographs to motion pictures, but the technological requirements for production, distribution and exhibition ensured that the industry grew slowly at first. Not counting Eadweard Muybridge's nude cinematography in "Animal Locomotion" (1887), Edwin Porter's "The Gay Shoe Clerk" (1903), and other examples of voyeuristic and provocative movies, the first examples of pornographic films are believed to have come from Buenos Aires, Argentina, less than ten years after the premiere of the Lumière brothers' films. These simple and graphic "one-reelers" were traded amongst wealthy private consumers or houses of prostitution.[4]

By the early 1910s, American and French porn films were making their way around Europe and the United States. These films were considered slightly more sophisticated than their predecessors--at the very least, they had some semblance of a plot and/or characters. Owing to a prudish moral code carried over from the Victorian Era, however, it was nearly impossible to find these films in public

theatres. For the most part, "stag films" were shown in "smoking rooms," brothels and private men's clubs, and were available through specialty catalogues. Prominent films from this period include "A Free Ride" (also known as "A Grass Sandwich," USA 1915) and "Am Abend" (Germany ca. 1910).[5] These early stag films have been described by Laurence O'Toole as "a muddle of jerky camerawork and slipshod editing," but it took little time for porn to become "rigidified into a restricted visual experience."[6]

The 1920s produced more original and often comedic porn, including "The Casting Couch" (USA 1924) and "Buried Treasure" (USA ca. 1930). While the former engages the audience in a more classical story, which, by the title, should be fairly obvious, the latter film is animated in more ways than one. Starring a spectacularly well-endowed character aptly named "Everready," the short cartoon features a mish-mash of preposterous sexual acts, including a donkey love scene and a fencing duel substituting penii for swords. One notable feature of "Buried Treasure" is a not-too-subtle reminder of the dangers of venereal disease in the form of an alluring woman with a crab hidden in her vagina, which is particularly irritating to our ever-ready hero.

It was technology, in addition to sexual politics, that expanded the world of commercial pornography in the years surrounding the Second World War. The increasing acceptance, or at least popularity, of burlesque stage shows certainly encouraged more performers to work in "dirty movies" as a lucrative sideline. By the 1950s, artists such as Bettie Page and Tempest Storm and filmmakers such as Irving Klaw had capitalized on society's desire for "tits and ass," however discreet.[7] But the biggest boon to the porn business at this time was the invention of home movie cameras. These 8mm and 16mm cameras and projectors were relatively inexpensive, available, portable and most of all, easy to operate. Stag films were no longer the domain of skilled film technicians with more creativity than taste; now zeal and a reel of undeveloped film were the only requirements.

Despite the invention of videotape and the enthusiastic reception of television that began to plague the Hollywood studios, porn did not suffer noticeably in the 1950s. The industry's coffers were not dependent on public box office revenues, therefore it did not need to appeal to traitorous filmgoers with gimmicks such as 3-D or widescreen techniques.[8] In fact, one of the most popular

porn products at this time was what was called the "motel film." This ultra-cheap film was usually produced by ordinary people and invariably featured a brief but explicit encounter in a nondescript room, often a small motel that presumably would not ask too many questions of its guests. Often (and perhaps wisely) forgotten, motel movies were usually characterized by less than memorable performers and less than inspired plots.

If, as writers have claimed, there are a limited number of stories in the world, it was certainly evidenced in American pornographic films until the 1970s (and, to some extent, even now). Jonathon Ross has identified five major plots shared by the majority of porn throughout the twentieth century:[9]

1. Sex is initiated by a lonely woman alone at home welcoming a male visitor (a plumber or salesman, perhaps).
2. A woman is aroused while watching farm animals copulate, resulting in a sexual encounter for some lucky farmhand or male passer-by.[10]
3. Intercourse follows (naturally!) from a routine appointment with a doctor or dentist, usually in their professional offices.

4. A would-be burglar or housebreaker surprises a "lone but usually randy" woman; sex follows. The element of surprise, danger and/or coercion is crucial here.

5. A peeping Tom is discovered and appreciated while watching a woman skinny-dipping or sunbathing in the nude.

Generic male characters such as salesmen were often featured in these films, as well as some element of illicitness and/or voyeurism. Variations on these plots in other countries included teacher/student and commoner/nobility encounters in England, and in largely Catholic countries nuns and priests (in costume) would allow their libidinous urges to lead them into temptation.[11] The fact that there has been little variation from these stock situations over the years is revealing--perhaps human nature does not change? Or, like classical Hollywood movies, maybe audiences are conditioned to expect a certain kind of narrative, which producers continue to try to deliver--at least on a small scale.

Until the 1960s, the majority of porn was exhibited in private clubs or "four-walled" on a rural circuit, relying more on word of mouth rather than direct advertising.[12] The

few films that made it into larger commercial theatres were anomalies, with the exception of pay-per-view "loops" for which customers at peep shows would gladly plunk down their quarters or dimes.[13] Less explicit exploitation movies, such as "nudie cuties" suffered the same fate to a certain extent, but at least made it into "legitimate, but often not very respectable," theatres. Their profit margins, however, benefited from the pull that provocative images had with audiences, particularly young males.[14] More common was the practice of advertising such special collections in men's magazines, making these films available through mail order and private trading.

In the 1960s, "stags" progressed to "beavers," a term presumably coined due to the prominence of thick pubic "pelts" in the films. Beavers were relatively modest by current hard core standards--more or less filmed strip shows designed for sale to peep show palaces and mail order companies. "Split beaver" and "action beaver" films inevitably followed, wherein the female stars would spread their legs for a more graphic, and ultimately more rewarding view.[15] Beavers were easy work for performers--no lines to memorize, no sex, just prancing around naked--and easy money for distributors, who could not keep enough new

films in stock to satisfy customers.[16]

But hard core porn remained largely relegated to the purview of short films. Apart from a few exhibitors who dared to tag "beavers" onto the end of regularly scheduled mainstream movies in the late 1960s, the production and distribution of porn remained illicit and clandestine. Well, perhaps more illicit than clandestine, judging by the number of legal opinions offered in the 1960s. But to the chagrin of some legislators and anti-porn crusaders, porn was about to become more dangerous--it was about to become trendy.

"Porn Chic": 1970-1980

In the 1960s, hard core remained on the periphery of legitimate filmmaking and exhibition, if not completely outside the boundaries. The best that most interested theatre owners could hope for was the rental of earnest feature-length documentaries *about* dirty films, such as John Lamb's *Sexual Freedom in Denmark* (1970), Alex de Renzy's *Censorship in Denmark: A New Approach* (1970) and *History of the Blue Movie* (1971), and Bill Osco's *Hollywood Blue* (1971). Apart from the odd "beaver" reel surreptitiously attached to the main feature presentation,

most theatres shied away from hard core. However, there were a handful of theatre owners and filmmakers, such as Alex dé Renzy, who also operated a theatre in San Francisco called the Screening Room, and the Mitchell Brothers, who owned the O'Farrell Theatre in San Francisco, who were about to make a big splash in a small pond.[17]

In the 1960s and 1970s, cultural attitudes towards sex in North America changed and entertainment changed along with them. The introduction of the birth control pill and the ensuing sexual revolution, partnered with the disintegration of the Hays Code that had tightened Hollywood's chastity belt since 1930, brought sex into everyday discourse in a way it had not been before. Add easier access to illegal drugs and the blossoming of the Baby Boom generation into young adulthood, and you had a recipe for big changes in the moral landscape of America. In 1969, when the Production Code was replaced by the Motion Picture Association of America's ratings system, porn was allocated a public and specific status (though still illegal)--the X rating.

The courts, increasingly challenged by theatre owners and others romanced by the erosion of censorship, still adamantly disputed any widespread success of the

pornographic film industry. The Johnson Commission, which President Lyndon Johnson established in 1968, announced that it "could find no satisfactory estimates of the volume of traffic in obscene and pornographic materials." Furthermore, published accounts mostly provided by theatre owners assessing porn industry revenues at between $500 million and $2.5 billion per year were judged by the Commission to be "almost always without supporting data or definitions which would make such estimates meaningful."[18] The few statistics the Commission could provide, however, indicated that porn was making greater inroads than previously suspected (see Table 2.1 below).

Table 2.1 Box Office Receipts by Classification

	Rating	1970 Projected Receipts (millions)	Percentage of Receipts
General release	G and GP	594	54.0
	R	262	23.8
	X	72	6.6
Nonsex, unrated		16	1.5
Art		35	3.2
Exploitation		65	5.9
Hybrid/new genre		56	5.0
TOTAL		1,000	100.0

Source: US Commission on Obscenity and Pornography (1970), 12.

Box office receipts for X-rated movies still may have been miniscule compared to mainstream general releases, but they

overtook the vast gamut of exploitation films and accounted for more than *twice* the revenue for art films, which, in the United States in the late 1960s was undergoing a marked surge in attendance.

The Johnson Commission's findings were further complicated by the fact that it had difficulty categorizing sexually explicit material, noting that "the increase of sexually related themes and the incidence of nudity [in general release films] have blurred many of the former distinctions to a point where there is considerable overlap."[19] In other words, was it exploitation or porn? Artistic or just obscene? For the most part, the commission relied on the judgement of the MPAA rating system in its assessment. Another key to deciding what was porn and what was merely suggestive was determining the production budget and number of screens the film appeared on. After all, the commission members figured, if the product was cheap to make and hard to find it must be for a reason. But these assumptions would soon be questioned, and porn box office numbers the subject of water cooler gossip and legitimate news stories with the success of *Deep Throat* in 1972.

The significance of *Deep Throat* has little to do with

the story about a heretofore sexually dissatisfied woman (played by Linda Lovelace) who discovers with the help of a generous doctor (played by Harry Reems) that her clitoris is in the back of her throat.[20] What is important about *Deep Throat* is that it made tongues wag and box office registers sing. *Deep Throat* was not the first 35mm full-length feature porn film: that honour belongs to Bill Osco's *Mona: The Virgin Nymph* (1970). Nor was it the most sensational--the Mitchell Brothers' *Behind the Green Door* (1971) or perhaps Anthony Spinelli's *Act of Confession* (1972) could be argued to have earned that credit to date. But *Deep Throat* made money and ushered in the era of "porn chic," when suddenly it was fashionable to stand in line at X-rated theatres with the rest of the "raincoat brigade"[21] and compare reviews of hard core films at dinner parties.

As with many porn films, *Deep Throat* started out small and grew in favour to a crescendo of publicity and profits. Writer/director Gerald Damiano claimed that the idea was developed after seeing star Linda Lovelace perform a party trick wherein she took a penis deep into her throat without gagging or choking. Lovelace's version is that she was a script girl for Damiano and that Lovelace's husband and manager Chuck Traynor (who would be the cameraman) was

instrumental in changing the idea for the original picture she signed on for.[22] Regardless of the true story, *Deep Throat* opened at the New World Theater in Times Square, New York City, in June of 1972.[23] A favourable review in the trade magazine *Screw* boosted the first week grosses to more than $33,000--unheard of for a porn film. Considering that the film initially cost $25,000, it signified a phenomenal hit.[24] Major magazines and dailies picked up the story, and soon stories and reviews of *Deep Throat* were gracing publications ranging from *The Times* of London to *Women's Wear Daily*.[25] The lines grew even longer when the New World Theater and the film became the focus of a well-publicized obscenity trial towards the end of the year.

After a brief scuffle over New York State seizure laws, the owner of Mature Enterprises, Inc., who owned the New World Theater, was charged at the end of the summer with exhibiting obscene material. Due to a backlog in the courts, however, the film continued to play until the trial began nearly four months later.[26] Thanks to publicity surrounding the case, ticket sales soared. By January 1973, *Deep Throat* had played in seventy cities and grossed $3.2 million.[27] Unfortunately, public opinion did not ultimately affect the court's decision. Judge Tyler,

concluding that experts for the defense had failed to convincingly argue that more than half of the film had any redeeming social value, fined the theatre $3 million and announced "this is one throat that deserves to be cut."[28] By the time the New World Theater was ordered to shut its doors in March 1973, more than a quarter of a million people in New York alone had seen the film and grosses were past the $1 million mark locally and reportedly $5 million nationwide.

Deep Throat opened the door to audiences who may have never considered going to a porn film. Despite a lingering public hesitation, porn moviegoers were no longer the "furtive, much-maligned raincoat brigade," as Williams put it.[29] The new audience for porn was decidedly diverse, from young professionals to suburban middle-aged couples. *Deep Throat* was also seminal in encouraging couples' viewership, and tried to present porn as not simply a tool for solitary entertainment but as a kind of marital aid.

Another film, *Behind the Green Door* (1971), may not have had the same level of financial success as *Deep Throat*, but for Jim and Art Mitchell it was a sound investment. The brothers adapted a long-circulated urban myth about a young woman kidnapped and drawn into a secret

swingers club. The film, starring then Ivory Girl Marilyn Chambers, is punctuated by group sex, suggestions of hypnosis, domination and submission, a compelling tribal-esque hero, a convoluted trapeze swing encounter, and last, but not least, a psychedelic montage of the final ejaculation shot in vivid colours. *Behind the Green Door* cost $45,000 to shoot and edit over a period of seven months, but grossed $20,000 in its first week of release at the O'Farrell Theatre in San Francisco.[30] Within five months it had made more than $200,000, and was released across the country amid fanfare and heavy advertising, especially in New York.

Soon, "porn chic" was devalued by increasing levels of sexual content in mainstream Hollywood film. The success of *Deep Throat* and *Behind the Green Door* led to other high profile hard core films, such as *The Devil in Miss Jones* (Gerald Damiano, later in 1972) and *The Opening of Misty Beethoven* (Radley Metzger, 1976). The sexual explicitness of hard core was beginning to compete with the so-called legitimate film community, which was taking advantage of art film markets and the more permissive ratings system with movies like *Last Tango in Paris* (Bertolucci, 1973). Some porn industry members, citing a survey conducted by

the FBI, boasted that $6.4 billion in pornography was sold in 1973, outgrossing major studios *and* television networks.[31] By 1976, the enthusiasm that audiences had for porn movies was waning. The novelty of hard core was wearing off with many audiences, who discovered they could now watch legitimately "arty" erotic material.[32] Apart from soft core successes, such as *Alice in Wonderland* (Bill Osco, 1976) and *Emmanuelle* (Just Jaeckin, 1974), porn distributors were predicting an outside gross of $300,000 and some theatres were even slashing ticket prices to seduce audiences.[33] More significantly, the United States Supreme Court determined the future direction of the business by deciding in June 1973 that from then on pornography in theatres would be judged locally, not in federal court.[34] Distribution, however, would still be subject to federal legal intervention--making hard core difficult for theatres to show and even more difficult for distributors to rent out.[35] So between the legal headaches, the lingering stigma attached to the business, and the arrival of consumer videocassette recorders, big screen hard core film was taking a beating. Porn was hardly alone in this dilemma--Hollywood also felt the effects of new technology and audiences. But where Hollywood combated

these changes by incorporating increasingly sophisticated images and adult themes in their films, the porn industry, whose themes were decidedly adult already, decided to use Hollywood's reluctance to address technological issues to its advantage.

The Coming of Video: 1980-1990

Despite the decline of big screen pornographic films, the adult entertainment business grew in size, scope, and sexual curiosity in the 1980s. Now that porn was actually an industry, not just an underground trading route for tits and titillation, producers found themselves in a unique situation--legitimized, or at least legal. Although it was still illegal to engage in interstate trafficking of sexually explicit materials, in many states it was not against the law to produce them in the first place. Ultimately, exhibition was at the discretion of each individual municipal council, but that did not scare off aspiring producers. In addition, the increasing popularity of pornographic films required that the business become more organized. Dingy warehouses now became dingy studios, and successful porn performers and producers climbed their way through the ranks to the hills of Hollywood, living

cheek to jowl with mainstream movie stars. Production, distribution, and exhibition were made easier and cheaper by videocassette technology, which meant more movies and an expanding (and demanding) audience. The phasing out of big screen porn necessitated a shift in viewing rituals and indeed even in the plots and themes of the films themselves.

In the 1970s and early 1980s, making porn was against the law in California. Of course, that did not stop people from doing it. Police in San Francisco tended to turn a blind eye to porn production, although filming in Los Angeles was a little trickier. Producers were forced to resort to skullduggery, even scouting for safe locations in neighbourhoods evacuated due to forest fires. Those who got caught generally got slapped with a "pimping" charge as, according to the L.A. county district attorney, sex for money (even on a film set) was considered prostitution. But in 1986, convicted producer Harold Freeman routinely appealed the charge after going to jail and paying a $10,000 fine, in addition to ten times that in legal bills. Much to everyone's shock, the California Supreme Court tossed the conviction out, arguing that the county's actions had been spurred by anti-porn crusading, not any

legitimate violation of prostitution laws.[36]

Once porn production was legal in California, the covert cottage industry mushroomed practically overnight into a booming business centered in the San Fernando Valley. And it was not only the neighbours who noticed that porn had moved in, "lock, stock and lube."[37] The U.S. Attorney General's Commission on Pornography, established in 1985, stepped up its schedule of public hearings, presenting a nearly 2000-page report within a year. Attorney General Edwin Meese II, unlike the heads of similar commissions before him, welcomed any publicity the investigation would merit, especially from anti-porn movements. Even six months before the report was published, the Meese Commission came under attack for presumed bias by the National Coalition Against Censorship.[38]

Although the Meese Commission's findings cannot be compared directly to those of the Johnson Commission, the statistics offered by the former's report show just how much the adult film industry had grown in less than twenty years. The trick to turning a profit in porn was, and still is, volume. In the mid-1980s, the porn industry in the United States was churning out 400 movies a year,

compared to just over 100 major studio releases.[39] Even the combined releases of studio films, independent and foreign films fell short of porn's benchmark.[40] The commission reported that a total of 700 X-rated theatres brought in half a billion dollars in 1985, at a rate of approximately two million tickets a week.[41] A one-day shoot budgeted at $15,000 could make ten times that in a few months.[42] But the Meese Commission predicted that attendance at adults-only movie theatres would continue to fall, and it was proven correct.

The biggest change in the porn business in the 1980s would occur because of new technology for entertainment delivery. The adult entertainment industry has always been first in line to utilize new cinema technology, videotape being a prime example. Videotape has been used in network television since the 1960s, but personal videocassette recorders (VCRs) were not introduced to the American market until 1975.[43] Porn was first transferred to video in 1977, one year earlier than other kinds of film,[44] and the Meese Commission reported that by the end of the decade X-rated videotapes accounted for more than one-half of all video sales.[45] At this time, videotapes were retailing for over one hundred dollars, even to consumers.[46] By 1984, the

Video Software Dealers Association (VSDA) calculated that adult films constituted 13 percent of the market. In 1986 the Meese Commission disputed this figure, estimating porn video sales at only 9 percent. Those numbers, however, are constricted by the commission's reluctance to include any sexually explicit or sexually violent material present in films not designated with an X rating.[47]

However revealing, these statistics are problematic. The commission neglected to clearly define what constituted an "adult" video. Furthermore, the source for these numbers, the VSDA, is a national trade association, which may not be representative of all video retail outlets in the United States.[48] As Laurence O'Toole points out, video may in fact have been responsible for the downturn in profits for heterosexual porn films. But gay porn was on the rise, and theatres were popular sites for homosexual rendezvous. And as the $100 price tag of retail videotapes then plunged, and continues to do so, the wholesale cost remained about the same--around five dollars. "While retailers are in a position to keep a good profit margin," O'Toole notes, "some porn producers are having to cut theirs nearly to the bone."[49] Yes, videotapes are easier to copy and distribute than film reels. Yes, the need for

video production expertise and box cover art meant that more people were employed in the porn industry than ever before. According to Bernard Arcand, "a pornographic film costs, on average, between $100,000 and $200,000 to make, while a video of comparable length is not only technically less complicated, but also costs around $20,000."[50] But the low mark-up per unit demanded high volume to be profitable, and while producers and performers worked feverishly they could not stem the tide of decreasing profits.

Video was a mixed blessing for the bottom line, but it had an equally dramatic impact on audiences. It changed the way people watched porn, much in the same way that television changed viewing habits of movie audiences. Porn on video could be watched privately and discreetly, and watched again and again. Certainly it is easier to masturbate in your home while controlling the exhibition of the stimulus, rather than in a dark movie theatre surrounded by other people trying to hide the same activity.

One significant change in audience behaviour was that female viewers now had easier access to pornographic films, either on their own or with their partners. The growing female audience also encouraged women in the pornography

industry to take a more active role in production. In 1983, a group of female porn stars formed a group called Club 90 in order to provide a support network for women working in the industry. Their concerns, among others, were the quality of the roles and plots of current products, and the currency of their own rising star power.[51] Candida Royalle, though not the first performer to go behind the camera, was instrumental in reaching out to women audiences and promoting "couples'" movies. Though porn films were often watched by couples together, the industry generally accepted the view that many women were hostile towards the genre. Royalle, convinced that this opposition was due in large part to the fact that women's needs were not being addressed in the movies, raised money to produce a film herself in 1984. The result, "Femme," also the name of her production company, placed the female performers at the centre of the action, not merely as the object. She also decided to turn down a less than profitable distribution offer for her movies, according to Angela Cohen and Sarah Gardner Fox, "marketing them through a media campaign to reach an audience she knew existed."[52]

The adoption of video technology by the porn industry ultimately sounded the death knell for X-rated movie

houses, but gave hardcore a new lease on life. It is entirely possible that without video, the porn business may not have survived the legal restrictions and poor economy of the late 1970s. As discussed in chapter 2, portable 8mm and 16mm movie cameras deprofessionalized the production of pornography, but producing film porn was still expensive. Within ten years of home video's introduction more than half of all American households had VCRs, and saturation was near ninety percent by the turn of the millennium.[53] Producers realized that they could reduce their costs by shooting directly on video and bypassing theatrical distribution and the legal headaches that went along with it. High quantity meant low budgets, and usually low quality, which ardent consumers seemed to care little about.[54] But in order to satisfy an ever-hungry audience, porn producers and distributors had to risk more money and taste, and expand into cable television.

Cable has not traditionally been a very lucrative market for porn because there are too many companies competing for placement on too few networks. Additionally, cable companies have shied away from adult content carriage, even soft core porn, fearing subscriber protest and investigations by regulators. Cable sales are also

stymied on an international level, as different countries have competing domestic networks, or local laws and customs that govern the penetration of American hard core into the market. But now, with competition from the Internet, satellite, and broadcasting-on-demand systems, many cable operators have discovered that porn, both soft and hard core, is "a painless way to boost cash flow without raising rates."[55]

Increased competition led to a wider audience, greater diversity in plots, characters and subgenres, as well as a new reliance on frenzied marketing. Linda Williams points out that it became more important than ever to get viewers into the videostores, as "without first opening in a theatre or receiving the notoriety of a work collectively witnessed by a large group, the text's temporal context is even less apparent. The tape slips onto a shelf, is rented or not, and its possible sociological or historical impact recedes into the background."[56] To ensure success, or at the very least survival, porn production companies had to apply business models that would keep them competitive in an ever-expanding market.

New Technology and New Markets: 1990-Now

By 1990 the sale and rental of adult films constituted one-third of the video market.[57] Bigger was definitely better in this business and producers and stars struggled to perform. In order to compete in an expanding market, the adult film industry had to get organized. Instead of a haphazard word-of-mouth operation, production companies became *studios*, working to promote stars and integrating distribution and exhibition arms into their previously primary goal of making movies. For what good was making a great skin flick if no one saw it? By the mid-1990s it became obvious that the path would curve once again, with the rocketing popularity of the Internet and digital technology. Thanks to new media, by the end of the century porn would take advantage of a whole new distribution system, an international market, and the nebulous legal restrictions that went along with them.

The success of big screen porn from the mid-1970s to mid-1980s stoked hopes that hard core pornography would attain a status equal or near to other narrative films, only featuring sex. But video undermined that goal. Some porn trade magazines and organizations even dropped their "Best Film" category from their annual awards "due to the

paucity of X-rated films produced in those years."[58] The displacement of theatrical porn by home entertainment technology disappointed some producers, but digital technology in the form of the Internet and digital videodiscs (DVD) would distend the market beyond previous expectations. Porn already had a toehold in interactive video games in the 1980s, but the biggest boon to the industry in the 1990s was the electronic highway.

The Internet cemented several things vital to the porn industry: constant supply, rabid demand, user friendliness, increased quality, and privacy. Convergent digital technology provided the means and medium to deliver quality porn to a limitless audience at a minimal cost, graduating from floppy disks to CD-ROMs, the Internet (including Usenet groups and mailing lists) and interactive DVDs. One of the attractions of this technology is the ability for viewers to take control beyond fast-forwarding and pausing. DVD porn often includes features such as multiple viewpoints, so that the viewer can virtually adjust the camera angles in order to get the most provocative images. The World Wide Web, a kind of CB radio haven for the 1990s, allows for thousands of images on individual personal and professional porn-related sites. These files can be

accessed, viewed, and downloaded by anyone in the world, often for a fee.[59]

We can also see some specific changes in style with the integration of the Internet into porn production and delivery. Overall, porn in the 1990s made a concerted effort to become more "civilized" and to appeal to a wider variety of tastes. Growing female and couples audiences were more comfortable watching "adult erotica," explains O'Toole, the kind of porn that "abjures a driven carnality in favour of a tasteful erotic sensuality."[60] In an attempt to whitewash the commonly held perceptions of hard core and achieve artistic legitimacy, a kind of auteurism punctuated the porn industry. Directors now had "above the line" credits; *Holly Jolly Hard Ass* became, more importantly, a "Satin Claws Film."[61] In addition to this, the visual presence of the production company was given more weight, both in the production and marketing process. Porn studios became known for different types of movies. For example, Vivid has achieved great success in the couples' market, Anabolic Video frequently hits the bestsellers list with anal action, and Extreme Video Associates is known for pushing the envelope of good taste and sexual creativity.

Due to the cultural stigma attached to the sex

industry, and the constantly shifting legalities, there is considerable debate over just how much money the business makes and, ergo, what kind of power it has. Porn films are at less risk of grand failure than big budget Hollywood pictures--porn production budgets are small and profits are certain. But most academics and journalists are placed in the precarious position of trusting anecdotal and published statistics stemming from the porn industry itself, or its bible, *Adult Video News* (AVN). The problem with this is that, as in every industry, facts are often misinterpreted or figures inflated to suit the industry. The "porn chic" that died a quick death in the 1970s fluttered back to life in the late 1990s, and esteemed periodicals such as the *The New York Times* and *Fortune* created a "porn beat" to cover the rapidly growing business. London-based *The Economist* ran a series of articles investigating the sex industry, including an insightful assessment of Vivid's recreation of the Studio System.[62] The crux of most of these published reports in mainstream magazines is the impressive feat of how the business was flourishing and expanding at a time when other industries (namely, Internet start-ups) were going bust. This is true--porn's empire expanded, but the question is "how much?"

By most accounts, pornography is a $10 billion dollar business. Yet, there seems to be little basis in fact for this number. The original source can be traced to a report on adult content on the Internet, released by Forrester Research in 1998. It estimated revenue at approximately $1 billion; the $10 billion was an aggregate measure mentioned in passing. Video sales statistics from *Adult Video News* largely corroborated the impressive girth of the business, and have subsequently been trotted out by journalists covering the business for MSNBC and *Time*, among others. In response to criticism of Frank Rich's feature in *The New York Times Magazine*, *Forbes* writer Dan Ackman attempted to account for these statistics line by line. He found that the figures offered by AVN were unsupported by any reliable methodology, and that the Forrester report was largely unsubstantiated.[63]

While any or all of these numbers *may* be incorrect, the inherent problem is in deciding what to include in any assessment of the industry's revenues. Some published reports only account for domestic video sales and rentals; some include cable and pay per view transactions, magazines, books and sex toys. In addition, while sales and rentals are tracked in general interest video outlets,

adults-only stores are not included in the statistics.[64] The widest discrepancy comes in the form of Internet transactions, which are dizzyingly dynamic--do you count advertising click-through on free adult content sites, or only subscriber services? Can you include potential lost revenue for images and streaming video circulated on free servers and file trading networks? Is it possible to accurately assess "domestic" revenue on sites whose servers and clients may be international in scope? Do you count adult content sites that may be illegal in some or many localities? Are online purchases of videos and DVDs double counted? How do you distinguish between soft core and hard core Internet porn, genuine or fake (such as digitally enhanced pictures of celebrities)?

For the most part, Internet porn is the same kind of content one would find in adult videos or magazines--still images, video clips, some interactive role-playing games. In fact, in some ways the Internet has introduced a nostalgic quality to pornography. The relatively low cost and easy availability of webcams have brought the "beaver" film back to audiences. Anyone and their dog can perform for Internet viewers. Slap a user fee on the site and you have the technologically advanced version of the peep show

loop. Of course, one of the drawbacks to the Internet is that it is rarely as anonymous as users would like to believe. More and more companies are tracking their employees' Internet use and visiting porn sites leaves a digital paper trail that watching a video in your own home does not. Governmental bodies, such as the United States Federal Communications Commission and the Canadian Radio-Television Telecommunications Commission, are at pains to constantly rewrite legal boundaries of the Web. Is a website with international visitors whose owner lives in Utah subject to federal, state or municipal law? In a medium with porous borders, who is held responsible for transgressions--the creator, Internet service provider (ISP), computer company, or the end user? This is an issue which will not be resolved any time soon.

Scholars such as Bernard Arcand have argued that the pornography business is ultimately doomed to failure. As he notes, if porn can be "defined as the representation of sex for sex's sake," without context or reference or excuse or "without redeeming social value," it "could also be by its own definition without a future."[65] It is doubtful that the powers that be at major adult studios such as Vivid and

VCA would agree. According to a 1996 study by U.S. News and World Report, the porn business had secured an "unprecedented pervasiveness in American society," pulling in $8 billion per year.[66] The deception for which porn is often chastised is indeed the very thing that will ensure the survival of the industry--the promise of sex. It may be virtual sex, imaginary sex, self-gratifying sex, romantic sex, distinctly *un*romantic sex, but human nature is not likely to suddenly become monastic, even in private. Defenders of porn claim that it is fantasy, a healthy outlet for sexual expression and curiosity. Regardless of future prosecution or shifts in cultural values, pornography is here to stay.

What is so remarkable about the X-rated entertainment business is not that it exists, but that it thrives to the extent that it does. Much of its success can be attributed to a highly systematized industrial organization that mirrors Hollywood's studio system in the 1930s and 1940s. As we will see in the next chapter, the defining features of the studio system have been re-energized in the current porn business--the star system, product differentiation, painstaking attention to management details, fertile publicity, and an increasingly complicated

relationship between producers and performers.

[1] See *Jacobellis v. Ohio*, 378 US 184 (196), 197.

[2] I will refer to porn featuring male/female vaginal intercourse. Contemporary porn often includes additional partners (sometimes male, but usually female) in this equation, as well as oral and anal penetration. Subgenres are diverse, depicting and suggesting coercion, group sex, interracial encounters, multiple penetration, varying ages and body types (ex. well-endowed men and women, the physically handicapped, "granny porn", pregnancy and/or lactation). In other words, there's something for everyone.

[3] Laurence O'Toole, *Pornocopia: Porn, Sex, Technology and Desire* (London: Serpent's Tail, 1998), 61.

[4] Jonathon Ross, *The Incredibly Strange Film Book* (London: Simon & Schuster Ltd., 1993), 4-5.

[5] While many scholars agree that "A Free Ride" is likely the earliest American porn film, there remains some debate over the date of its release. Al Di Lauro and Gerald Rabkin date the film at 1915 [*Dirty Movies: An Illustrated History of the Stag Film 1915-1970* (New York/London: Chelsea House, 1976), 47], as do Alex de Renzy and Jonathon Ross (*The Incredibly Strange Film Book*, 6), whereas the Kinsey

Institute for Sex Research in Sex, Gender and Reproduction (which houses a sizeable collection of porn archives, including this film) places it between 1917 and 1919. Linda Williams is unconvinced of either date, arguing that the claim that "A Free Ride" is the earliest American stag film is doubtful. See Williams, *Hard Core: Power, Pleasure and the 'Frenzy of the Visible'* (Berkeley: University of California Press, 1989, 1999 reprint), 61-62.

[6] O'Toole, *Pornocopia*, 63.

[7] See for example, *Teaserama* (Irving Klaw, 1955).

[8] Ross, *The Incredibly Strange Film Book*, 11.

[9] *Ibid*, 7.

[10] See, for example, "A Country Stud Horse" (USA ca. 1925), discussed in Williams, *Hard Core*, 293.

[11] Ross, *The Incredibly Strange Film Book*, 7.

[12] "Four-walling" usually entailed a travelling exhibitor renting a lodge, hall, or similar public structure not designed as a motion picture theatre, and then selling tickets to a show, often for one performance only. This practice was particularly popular with exploitation film exhibitors, and would often use titillating but purposely misleading advertising to attract audiences.

[13] Thus called because the film reel would loop around and around, always stopping at a carefully timed point designed to encourage the customer to plug more money into the meter.

[14] Williams, *Hard Core*, 96.

[15] *Ibid*, 96-97.

[16] Kenneth Turan and Stephen F. Zito, *Sinema: American Pornographic Films and the People Who Make Them* (New York: Praeger Publishers, 1974), 77-8.

[17] *Ibid*, 78.

[18] US Commission on Obscenity and Pornography (Washington, DC: US Government Printing Office, 1970), 4.

[19] *Ibid*, 9-10.

[20] Linda Williams argues that its "threadbare" and "poor excuse" for a plot is what makes the film memorable, as well as the pioneering status of the film--"for the first time in hard-core...a feature-length film...managed to integrate a variety of sexual numbers into a narrative that was shown in a legitimate theater" (*Hard Core*, 99). Laurence O'Toole suggests that the heroine's "quest" reflected the difficulty hard core had in recognizing "the problematics of sex" (*Pornocopia*, 72).

[21] Or, as Linda Williams alternatively describes them: "furtive, middle-aged men who went to see the exploitation fare, the beaver films, and whatever else was becoming legal on the big screen in the late sixties and early seventies, and so named for their presumed masturbatory activity under raincoats" (*Hard Core*, 99).

[22] Turan and Zito, *Sinema*, 142. According to Lovelace, she was not paid for the film, though Traynor received $100 a day. Angela Cohen and Sarah Gardner Fox, *The Wise Women's Guide to Erotic Videos* (New York: Broadway Books, 1997), 68-9.

[23] In retrospect, *Deep Throat* was certainly a more successful title than the proposed *The Doctor Makes a House Call*.

[24] Joseph W. Slade, "The Porn Market and Porn Formulas: The Feature Film of the Seventies," *Movies as Artifacts: Cultural Criticism of Popular Film*, Michael T. Marsden et al., eds. (Chicago: Nelson-Hall, 1982), 147.

[25] Turan and Zito, *Sinema*, 143.

[26] *Ibid*, 144. I am revising Turan and Zito's math, which is questionable--they place the initial warrant on August 17, Sumner's arrest "twelve days later," and the trial six months later, beginning December 19.

[27] *Ibid*, 145.

[28] *Ibid*, 145; Ross, *The Incredibly Strange Film Book*, 16. Interestingly, upon his retirement in 1991, Judge Tyler noted that "If I were to write that (decision) today, I would be deemed a fool. Movies and television have completely changed our outlook on the human form." See Benjamin Svetkey, "Encore Oral Argument While Linda Lovelace's Film X-Capade Drew Throngs, It Was Too Deep For One Judge," *Entertainment Weekly* (February 26, 1993), 68.

[29] Williams, *Hard Core*, 100.

[30] Turan and Zito, Sinema, 161. More specifically, the movie cost $18,000 up front, and approximately $24,000 in deferred payments.

[31] *Ibid*, 116.

[32] Ross, *The Incredibly Strange Film Book*, 18-19.

[33] Slade, "The Porn Market and Porn Formulas," 145. See also Verrill Addison, "Parisi See Porn Market Off, Now Averages $150,000-$300,000," *Variety* (June 9, 1976), 42.

[34] Ross, *The Incredibly Strange Film Book*, 18. Slade points out that at this time most local zoning ordinances were dominated by the Mafia. Slade, "Porn Markets and Porn Formulas," 147.

[35] Slade, "Porn Markets and Porn Formulas," 147.

[36] O'Toole, *Pornocopia*, 201-2.

[37] *Ibid*, 164.

[38] Gordon Hawkins and Franklin E. Zimring, *Pornography in a Free Society* (Cambridge and New York: Cambridge University Press, 1988), 15.

[39] O'Toole, *Pornocopia*, 214.

[40] Joel W. Finler, *The Hollywood Story* (New York: Crown Publishers, Inc., 1988), 280.

[41] US Department of Justice, *Attorney General's Commission on Pornography Final Report* (Washington, DC: US Government Printing Office, 1986), 1385. The commission focused their findings on theatres exhibiting 16mm and 35mm films, shrugging off 8mm adult films as not "a major influence" in the market (1384-5).

[42] O'Toole, *Pornocopia*, 215.

[43] Hawkins and Zimring, *Pornography in a Free Society*, 38.

[44] Bernard Arcand, *The Jaguar and the Anteater: Pornography and the Modern World*, translated by Wayne Grady (Toronto: McLelland and Stewart, 1993), 36.

[45] US Department of Justice, *Attorney General's Commission on Pornography Final Report* (1986), 1389.

[46] Hawkins and Zimring, *Pornography in a Free Society*, 38-39.

[47] *Ibid*, 38-39; US Department of Justice, *Attorney General's Commission on Pornography Final Report* (1986), 1388-9.

[48] Hawkins and Zimring, *Pornography in a Free Society*, 39. The authors point out that the 2000-strong membership of the VSDA in September 1985 may not be representative of the 12,000 outlets operating at the time.

[49] O'Toole, *Pornocopia*, 215.

[50] Arcand, *The Jaguar and the Anteater*, 37.

[51] Williams, *Hard Core*, 249.

[52] Cohen and Fox, *The Wise Women's Guide to Erotic Videos*, 48-9. See also Jane Juffer, *At Home with Pornography: Women, Sex, and Everyday Life* (New York: New York University Press, 1998).

[53] Lane, *Obscene Profits*, 33.

[54] Williams, *Hard Core*, 300.

[55] Sally Beatty, "Cable Operators Find New Profit in Pornography," *Wall Street Journal* (November 28, 2000), B1.

[56] *Ibid*, 268-9.

[57] Ross, *The Incredibly Strange Film Guide*, 19.

[58] *Adam Film World Guide* (Los Angeles: Knight Publishing Corp., 2001), 283.

[59] Of course, censorship is present even in cyberspace. There is an increasing market for software such as NetNanny

that will block the access of minors to material considered restricted adult viewing.

[60] O'Toole, *Pornocopia*, 212.

[61] This title and director are fictional, from the author's (perhaps overly creative) imagination.

[62] "Branded Flesh," *The Economist* (August 14, 1999), 56.

[63] See the following for in-depth analysis of these discrepancies: Emmanuelle Richard, "The Perils of Covering Porn," *Online Journalism Review* (May 6, 2003), http://www.ojr.org/ojr/business/1017866651.php (accessed June 2, 2003); Dan Ackman, "How Big is Porn?" *Forbes* (May 25, 2001), http://www.forbes.com/2001/05/25/0524porn.html (accessed June 2, 2003); Mike Brunker, "The Sultans of Smut," MSNBC (August 9, 2000), http://www.msnbc.com/news/438846.asp?cp1=1 (accessed June 2, 2003); "In Face of Criticism, AVN Issues Strong Endorsement Of Its Annual Statistics," *Adult Video News* (August 2001), http://www.adultvideonews.com/bone/by0801_02.html (accessed June 2, 2003).

[64] John R. Wilke, "Porn Broker: A Publicly Held Firm Turns X-Rated Videos Into a Hot Business," *Wall Street Journal* (July 11, 1994), A1.

[65] Arcand, *The Jaguar and the Anteater*, 177.

[66] Williams, *Hard Core*, 300.

CHAPTER THREE:

COMING ATTRACTIONS - THE PORN BUSINESS

In order to evaluate the impact of the Hollywood studio system on the adult entertainment industry, we have to examine the points of convergence and divergence of these two businesses. The development of the pornography industry in California from pubescence to adulthood is inextricably linked with the successes and failures of mainstream cinema's organization. No business is successful without a clearly defined plan and system for producing and promoting their service, and the pornography business is extremely lucrative. However disorganized it may have seemed initially, the porn industry has grown at a rate that requires it to become highly stratified in order to maintain its rate of success. In this chapter, I will examine specific elements of the contemporary porn industry's business model in comparison to the Hollywood studio system. How and why did porn adopt these strategies? Why have they worked so well, when major studios abandoned (or requalified) them thirty years ago?

The simplest way to organize any analysis of a business is to consider the product--more specifically what

is being sold, how it is being sold, and where it is being sold. Despite the apparent ability of adult entertainment to tap into the curiosity and desires of millions of people, however, the product would not flourish without a highly organized business model behind it. As I will demonstrate in this chapter, porn owes much of its success to its assumption of the previously successful business model of the Studio System. In this chapter, we will look at the specific ways in which this model has been borrowed: the contract system, studio ownership of production facilities and distribution networks, reliance on product differentiation, branding and marketing, as well as the distinct advantages that geographical proximity to the mainstream film industry provide.

The Star System and Product Differentiation

Arguably, the most visible evidence of pornography's success is in the elevation of performers to international celebrity status, even household names. Linda Lovelace, John Holmes, Marilyn Chambers, Asia Carrera, Traci Lords, and Jenna Jameson, for example, are known to many. Even for the uninitiated, the names of porn stars are vaguely, perhaps embarrassingly, familiar. For every Tom Cruise,

there is a John Stagliano, whose stature in the professional community is measured by sexual stamina and prowess, not Oscars. And though adult performers' paycheques may not be comparable to their Hollywood counterparts, the adulation they receive from fans is on par, if not at a premium. For the porn-savvy, the attention paid to popular performers can be overwhelming, but the rabid loyalty of porn fans is supported by the industry itself. Unlike favoured Hollywood stars who lend their presence to glitzy premieres and press junkets, adult stars get up close and personal with fans at conventions, video and poster signings, and through copious websites. In the pornography business, the performer *is* the product, and a staggering amount of work goes into promoting that product.

While most performers in adult entertainment do not dream of such prurient stardom at a young age, there comes a point at which they make a conscious decision to pursue a career in pornography. Documentarian Paul Cowan, in his examination of the adult film industry titled *Give Me Your Soul*, has found that most often the path to porn is paved with other risqué job choices, such as exotic dancing, pin-up modelling or even prostitution.[1] In Cowan's film, porn

veteran and performers' rights advocate Bill Margold categorically asserts that success in the industry is dependent upon motivation. He believes that anyone entering the business because of fiduciary or carnal desires is doomed to fail; only the goal of *fame* will effect success. The desire for recognition and validation, even for work that requires more flexibility than finesse, is what drives many would-be stars.

Entering the industry is easier than achieving success within it, however. The vast amount of porn being produced in the United States, in fact, makes introduction into the business fairly simple--performers are always needed, whether for low-budget home-based porn or bigger studio pictures. But the very nature of porn's popularity creates an extremely competitive environment in which it can be difficult for performers to distinguish themselves. According to *Adult Video News*, the *Variety* of adult entertainment, there were approximately 11,000 adult titles released in 2000--nearly thirty times as many movies offered by Hollywood studios, with much less financial backing for promotion.[2] Under such cutthroat conditions, it becomes imperative for the performer to set him or herself apart from the pack. This might be accomplished by

specializing in a particular sub-genre or skill set, but primarily the star has to rely on studio promotion, which can be haphazard at best.

The professional obligations of a porn star are expanding to include conventions, special issue magazines, DVDs and websites, but personal incomes have not risen proportionally with the increasingly intimate relationship with producers. The most successful adult film company, Vivid, holds their average female performer to a contract of approximately eight films per year. Being a "Vivid Girl" is the pinnacle of success in this industry; performers for other production companies might do up to three times as many films in a year, in addition to moonlighting in other sex industry positions. But the luxury of having less frequent and more highly compensated work has a tradeoff--the contract system.

In exchange for the professional support and protection they receive, porn stars are expected to assist with their own promotion. This means appearing at public signings at both smaller, independent and large, chain stores such as Tower and Virgin, conventions and expositions, and cable television promos. For some performers, their status in porn can help them segue into

more legitimate stardom--Hollywood directors such as Spike Lee, John Frankenheimer and Paul Thomas Anderson have used porn star cachet in cameo appearances.[3] Actors and producers seem to agree that mutual promotion is the way to go, but the balance of power always falls on the side of the studio.

So what do the stars get in return for their loyalty, besides a paycheque? Often, their relationship with a particular studio, especially ones like Vivid, VCA and Wicked, provide them with an element of protection, comfort, even family.

One of the ingredients for success for any star is successful branding of the studio to which he or she is contracted. In studio era Hollywood, product differentiation was key to defining success for many companies. Stars were associated with their home studio, for example Judy Garland at MGM or Bette Davis at Warner Bros. Particular skill in genre production also distinguished studios from one another. MGM was known for its musicals, Universal for horror pictures, and RKO for screwball romantic comedies. Adult film companies have their own kind of genre specialization, usually by special skills or qualities that their stars possess. Some, such

as John Stagliano's popular *Buttman* series, are self-evident. These are often organized by fetish, for example large breasted women or interracial couplings. For the most part, each studio offers a diverse range of content, but identifies itself through production quality, especially specific locations or mise en scène, and starring performers.

Flexible Specialization

In *Pornocopia*, Laurence O'Toole scoffs at the suggestion that the agglomeration of the porn industry in Van Nuys, California, is due to the lure of "carnal pioneers" to a romanticized ideal of the American West.[4] In truth, the reason for porn's proliferation in the San Fernando Valley is mostly economic--discounted real estate, cheap equipment and crew rental, and a bevy of beauties either rejected or already digested by Hollywood. But is there something more to the decision by porn producers to center their industry in southern California? The success of the porn industry has even frightened away legislation that would in fact attempt to provide tax incentives for indigenous Hollywood production. Despite mounting concern over runaway Hollywood production in Canada, California

politicians are so afraid of the power of porn that proposed tax incentives to smaller-budget, regional film projects were stalled in 2000.[5] These proposals are part of an ongoing debate raging on both sides of the border on production financing, but despite the panic of the unions in southern California, production continues to funnel north, thanks to a sagging Canadian dollar and inhospitable filming permit environments in the Los Angeles area. Porn, because of its reliance on indoor, fixed locations, has managed to avoid some of this controversy. The common sense projection of how the porn industry exists, however, still does not account for its continued *success* in the region.

Beginning in the 1930s, most North American and European historiography on industrial organization privileged the ideal that the definition of a "mature" business is one that links large commodity firms with mass production methods.[6] Over the last twenty years, however, a variant of this theory termed "flexible specialization" has gained momentum as an alternative view of economic success in vertically integrated industries such as the film industry. While flexible specialization theory has been found mostly under the purview of urban planning and

geographical economics, it helps illuminate some key reasons for the success of both the old Studio System and the continued success of the adult entertainment business in Southern California.

In a challenge to the ideal of increasingly integrated sectoral development in large-scale firms, Berger and Piore demonstrated that mass production ultimately creates much more unstable market niches than previously believed.[7] Michael Storper and Susan Christopherson further developed this, suggesting that one antidote to the imprecise prediction of market demands in large-scale production economies may in fact be a more dynamic network of small, connected firms working towards a common goal.[8] Storper and Christopherson have been most successful in applying this theory to the "disintegration" of the Hollywood film industry in the post-Studio System era. Vertically integrated business models, such as the Studio System, are largely dependent on economies of scope, rather than economies of scale. In such a model, labour is increasingly divided and hierarchical, incremental transaction costs are minimal, and profit can be spread more evenly.[9] They suggest that in some industries, vertical disintegration may be positive in reducing labour

costs by subcontracting. In essence, this describes the majority of studio business models in Hollywood today. The pornography business, however, is still an excellent example of how flexible specialization and regional agglomeration can "ease the managerial coordination associated with the production of a non-standardized product."[10]

But was this vertical disintegration in Hollywood and, in turn, vertical integration in the porn business, predictable or even planned? Easily, one of the distinct advantages that the contemporary adult film industry enjoys over its cousin on the other side of the San Fernando Valley is the loyalty (or, some may suggest, captivity) of its workers. Alan Paul and Archie Kleingartner have argued that the diversification of post-Classical Hollywood made the biggest impact on collective bargaining and union power.[11] In fact, they hold that by the late 1980s, non-union productions accounted for approximately half of Hollywood's craft and technical employment.[12] Robert Faulkner and Andy Anderson determined in their analysis of Hollywood success that there are three mechanisms crucial in determining a production's success: minimization of fixed overhead, mutuality of choice for both buyer and

seller, and short-term contracts, an ingredient list that seems to correspond strongly to the porn industry.[13] They ultimately conclude that personal success in the entertainment business is greatly dependent on your affiliations and track record among peers, not any inherent talent, which lends weight to Storper and Christopherson's "unplanned" theory.[14]

Without union ties, workers in mainstream Hollywood are bound primarily by personal income demands rather than a contract system. But in the porn business, these income demands are often secondary to continued association with and obligation to specific studios or production companies. Similar to the above discussion of the star system, technical workers in adult entertainment exist in an unofficial contract system, where their skills and talents are determined and recompensed project by project, usually for the same producer. In this way, the porn industry more closely resembles "independent" film, but without the interdependence between art and commerce.[15] Some technicians and skilled workers are more than willing to go on the porn payroll in the event of a union strike. Prior to highly anticipated (but ultimately non-manifesting) strikes by the Screen Actors Guild and the Writers' Guild

of America, Hollywood crew members jammed switchboards at adult studios trying to line up work, regardless of a marked difference in the pay scale.[16]

Asu Aksoy and Kevin Robins presented a similar argument in response to Storper and Christopherson's thesis.[17] Aksoy and Robins read the flexible specialization thesis (rightly or wrongly) as a simple equation: flexible specialization = inter-firm collaboration + regionalization + local control. While Storper debated this narrow interpretation, Aksoy and Robins maintained that any vertical disintegration process in Hollywood was due more to corporate maneuvering than to short-term cost-cutting and product diversification. Storper et al and Aksoy et al agree to disagree on the scope of power that the studios hold over production as well as distribution, but not on the economy of scale it engenders.

Ultimately, Storper and Christopherson conclude that the vertical disintegration accompanying flexible specialization is the driving force behind regional agglomeration of the entertainment industry in the Los Angeles area. Further, these external economies are fortified by the dynamic nature of this industrial organization, particularly through an increasingly

horizontally integrated production system.[18] Aksoy and Robins have a much more conspiratorial view of this system, suggesting that such disintegration was simply incidental in the multinational conglomerate's fight to acquire and control diverse media properties. Perhaps these are both astute assessments of contemporary mainstream Hollywood. Certainly if the pornography industry could indeed be reduced to such a simplistic formula, it would make this analysis easier, but also less accurate. The reason for porn's lasting success is not the point-by-point borrowing of the Studio System business model, but instead the dynamic imitation of that model. If the porn industry is to flourish, it will do so by modifying its industrial organization to fit the unique needs of adult entertainment, both in production and marketing.

Distribution and Technology

It can be argued that the primary reason for the proficiency of Studio System Hollywood is also that which ensures the adult film industry's success--the tight rein over distribution. It was the first to mass-market distribution technologies such as videocassettes, laser discs, CD-ROMs, and DVD. Now, the most significant growth

in the business over the past five years has been in multimedia and Internet porn. It occupies a staggeringly huge amount of virtual space and real time for many people, but it is so inherently dynamic that it is practically impossible to accurately monitor.

Even before the introduction of the Internet, the most dramatic changes in the porn industry occurred thanks to the refinement of technology that moved film from the big screen into the home. The strict control over the distribution of pornography in the 1970s was most often enforced by organized crime. The mafia, in other words, was the only organization confident enough to risk distributing sexually explicit materials over state lines, an offence exacerbated by *Miller v. California* in 1973. The Miller decision placed the interpretation of obscenity law on the shoulders of local jurisdictions, but federal courts upheld local community standards *outside* that community.[19] The immediate effect of the ruling was a virtual stampede to buy up pornographic materials before they were banned. In the long term, however, porn producers had to become more cognizant of the risks of distributing their work over municipal and state lines. But being aware of the risks did not mean reducing traffic,

and organized crime set up a system of "sweepers" and "checkers" to create effective underground distribution.[20] It was a complicated, still profitable endeavour, but it put an increasing amount of control into fewer and fewer hands. This would change with video.

Home video was a key technological innovation for the industry because it made films easier to produce, transfer and distribute. With Sony's introduction of the camcorder in 1983 (which sold 3 million units by 1990), making a porno was "reduced to little more than the cost of a blank videotape, a bottle of wine, and some baby oil."[22] Furthermore, each video could be sold to retailers for up to $300, widening the profit margin. By the late 1990s, adult rentals accounted for forty percent of retail video, with most video stores stocking an average of 700 titles.[23] Some customers tried to minimize their embarrassment by outright purchase of the tapes, thereby avoiding the shame of becoming porn store "regulars," but rentals made up the biggest portion of the video business. After all, pornographic movies usually require a limited attention span, and the quality of the films are not stellar enough to warrant multiple viewings.[24] Because video was cheap to shoot and easy to reproduce, the market was soon flooded

with adult titles, some professional and some less so. By the late 1980s, video porn was a godsend for retailers, as they could purchase a movie for around $35 (the best bulk rate) and then rent it out 200 times at $5 a pop. The biggest dilemma, in fact, was deciding which titles to stock in a dizzying array of monthly releases.

In addition to the business boon, video (and then DVD format) changed popular narratives and filming techniques in porn. If images were no longer intended to be projected onto forty-foot screens, it stood to reason that their composition would evolve. Cinematographic detail was eschewed for numerous sex scenes, and production quality on the whole suffered. But one advantage of videotape and DVD viewing was the ability of the viewer to fast-forward, rewind and pause on specific frames; porn on DVD has expanded on this, offering multi-angle scenes and interactive features. Many producers use these features to give viewers more control over their experience. Wit Maverick, VCA's DVD production unit chief, believes that Hollywood remains a slave to its own image, to its detriment. "They think the way the director made the film is the only way the story can be told. If a viewer wants something different, we give it to him."[25]

While video gave fans a different experience, it also gave porn studios more control over the distribution of their films than they had before under organized crime. In the end, the impact of videotape and DVD technology was threefold--it spurred growth in production, brought industry costs down, and lured a whole new audience to adult entertainment.

As the success of the video market proved the loyalty of a homebound audience, the next logical step in exhibition was on television. Pornography was ushered into the mainstream not just through video, but also by cable broadcasting. Pay cable was a natural window for the porn videos now glutting the market, and in many ways a much more positive indicator of the demographics of the audience. It is easier for market researchers to determine exactly who was watching porn based on cable subscription than video store membership. Unfortunately, the rate of penetration of cable television never matched that of household VCR purchases.[26] Nonetheless, the increased level of viewing privacy (i.e. no trips to the neighbourhood video store) ensured that cable porn would be just as successful as video porn. Adult channels, while attractive sources of revenue to cable system operators, are facing

increasing disdain from parents and anti-pornography groups. The preponderance of hard core on cable, although reaching a larger target demographic, has also meant that it is too easily accessed by audiences for which it was never intended, in particular, children. As a result, cable offerings were restricted in the late 1990s; roughly one in three households had access to adult broadcasting channels by 1998, far less than had access to adult videotapes.[27] Add to that the increasingly fuzzy line between "cable" and "soft core," where shows on non-X-rated cable channels such as HBO and Showtime include much more sexually explicit content, and the difficulties that cable porn face are obvious.

Regardless of the problems delineating content, the atavistic goals are clear. Major players in cable pornography have historically been Playboy, Spice, Adam & Eve, Adultvision, and Hot. Within the last few years, especially, the names and owners of these enterprises have shifted, bearing remarkable similarity to the trend of multinational entertainment conglomerates snapping up broadcasting interests a decade ago. Playboy purchased its biggest competitor, Spice Entertainment, in 1998 for $95 million. At the same time, the company acquired Adam & Eve

with the intention of consolidating it with Adultvision (Playboy's pay-per-view service).[28] The plan was to create a network of branded digital cable and pay-per-view hardcore and soft core channels, using primarily material harvested from the Playboy, Vivid, and VCA libraries. Compare this strategy to Disney's purchase of ABC, or the creation of the UPN and WB networks by movie studio parents. It is both logical and trendy in Hollywood for companies to vertically integrate, thus ensuring the maximum revenue generation on a minimum number of original entertainment properties. By exercising control over video and DVD distribution, as well as cable and pay-per-view broadcasting, the porn business is merely following the extremely successful example the mainstream set. Where porn has exceeded its cousin's expectations, however, is in the utilization of new media technology, such as the Internet.

The advantages of the Internet, namely its anonymity, speed, interactivity, low distribution cost, global reach, and freedom from censorship, have suited the adult entertainment business very well.[29] In a rapidly changing environment, Frederick Lane has suggested that "the true significance of the online pornography industry lies

instead in its success at demonstrating the economic potential of the Internet both as a catalog supplement and replacement, and as a storefront."[30] Porn is one of the few profitable online ventures; so profitable, in fact, that any in-depth discussion of it must be limited here. Although saturation of Internet porn is high, it cannot be assumed that all adult sites are money-making ventures. Revenues from sites offering "free" porn come in the form of click-through advertising and links to paid subscriber sites. Regardless of how little money these sites appear to make on the surface, their start-up costs and overhead is minimal; much of the income generated is pure profit. The popular search engine Google estimates that the number of individual sites on the World Wide Web offering pornographic content is larger than the population of the United States, and growing at a near geometric rate.[31] Certainly the influence of the Internet has been felt more by porn distributors than producers; adult content online is not an industry of creation, but dissemination. While E-commerce websites jumped from 230 in 1997 to 1100 in 2000, sites offering *free* content outpaced that growth by more than ten times, soaring to nearly 300,000 in the same period.[32] It is a phenomenal indicator of success in a

growing field; despite the anecdotal evidence to the contrary, Internet use is not as widespread as video and cable.

The importance of the Internet to the porn business cannot be overstated, and builds on this basic question: how can content be effectively and cheaply marketed to a technologically savvy audience? Although Hollywood studios are only now beginning to catch on to the unique distribution and promotion opportunity the Internet provides,[33] the porn industry recognized its potential years ago, and paved the way for online business models to include monthly site subscription fees, banner and pop-up advertising, and the power of the old-fashioned lure. To paraphrase the old P.T. Barnum saying, while every user is a sucker, they are sometimes being shown the "egress" in exchange for their dollar. Traditionally, the business has relied on smaller sites offering free adult content to feed traffic to the larger pay subscription sites. But with the saturation of free sex sites, the average viewer is becoming increasingly distracted and less likely to click through to the pay sites. Subscription sites are feeling the pinch, but no more so than the feeder sites, which depend on referral fees for their survival.[34] The true

democratic nature of the World Wide Web is the one thing that is devaluing much of the studio porn content online--if anyone can download free pornographic images, why would people pay for them? It is an argument being faced in all entertainment industries right now, not just porn. The fragmentation of the online audience means that it is harder than ever for adult sites to make a profit, unless they are backed by the more powerful studios that can use their contracted superstars, branded to their advantage. Even then, studios such as Vivid avoid creating content purely for Web visitors, instead using sites as promotional catalogs to entice paying customers.

It is apparent that the contemporary adult film industry has skimmed the best features of the Studio System, and disregarded the less successful detritus. In both businesses, creative performers and producers are under contract to the home studio, and ownership of space and equipment is consolidated. The three principal features of the Studio System--the star system, control over distribution technology, and geographical concentration--are all echoed in the porn business today, nowhere more pitch perfect than at Vivid Video.

[1] *Give Me Your Soul*, directed by Paul Cowan, National Film Board of Canada, 2000.

[2] Frank Rich, "Naked Capitalists," *The New York Times Magazine* (May 20, 2001), 52.

[3] Curiously, one of the most well-regarded directors in the porn business is also named P.T. Anderson or Paul Anderson.

[4] Laurence O'Toole, *Pornocopia: Porn, Sex, Technology and Desire* (London: Serpent's Tail, 1998), 164.

[5] Kristina Sauerwein, "X-Rated Topic in Breakup Debate," *Los Angeles Times*, November 1, 2002), http://www.latimes.com/la-110102porn.story (accessed May 20, 2003).

[6] See Simon Kuznets, *Secular Movements in Production and Prices* (Boston: Houghton-Mifflin, 1930); Joseph Schumpeter, *Capitalism, Socialism, and Democracy* (New York: Harper and Row, 1942); Arthur Burns, *Production Trends in the United States since 1870* (New York: National Bureau of Economic Research, 1934).

[7] Suzanne Berger and Michael Piore, *Dualism and Discontinuity in Industrial Societies* (New York: Cambridge University Press, 1980). In contrast to this, and for a direct analysis of Hollywood, see John Sedgwick and Michael

Pokorny, "The Risk Environment of Film Making: Warner Bros in the Inter-War Years," *Explorations in Economic History* 35 (1998), 196-220.

[8] Michael Storper and Susan Christopherson, "Flexible Specialization and Regional Industrial Agglomerations: The Case of the U.S. Motion Picture Industry," *Annals of the Association of American Geographers* 77 (Winter 1987), 105. See also Susan Christopherson and Michael Storper, "The City as Studio, The World as Back Lot: The Impact of Vertical Disintegration on the Motion Picture Industry," *Environment and Planning D: Society and Space* 4 (3 1986), 305-320; and Michael Storper, "The Transition to Flexible Specialization in the U.S. Film Industry: The Division of Labour, Exernal Economies, and the Crossing of Industrial Divides," *Cambridge Journal of Economics* 13 (September 1989), 273. Storper and Christopherson also built on Bagnasco's theory of *fabbrica diffusa*, a network of businesses connected by their regional proximity and inter-related transactions (*Tre Italie: La Problematica dello Svillupo*, Bologna: Il Mulino, 1977).

[9] The biggest incremental change in the entertainment industry has come in decreasing costs of video technology. In the 1980s, Laurence O'Toole notes, the initial

investment in a porn production could be returned ten times over within a few months. But as the wholesale cost of videotapes (for copying) has plummeted from more than $90 to $5 or less, it makes it much more difficult for producers (but much less so for retailers) to achieve the bulk sales needed to turn a significant profit. O'Toole, *Pornocopia*, 215.

[10] Storper and Christopherson, "Flexible Specialization and Regional Industrial Agglomerations," 112.

[11] Alan Paul and Archie Kleingartner, "Flexible Production and the Transformation of Industrial Relations in the Motion Picture and Television Industry," *Industrial and Labor Relations Review* 47 (July 1994), 663-678.

[12] *Ibid*, 665. The authors do note that the relationship between union membership and employment is often complicated. Even on non-union productions, the majority of positions may be filled by union members, who have contracts that allow them to move continuously from project to project.

[13] Robert R. Faulkner and Andy B. Anderson, "Short-Term Projects and Emergent Careers: Evidence from Hollywood," *American Journal of Sociology* 92 (January 1987), 887.

[14] Ibid, 907.

[15] Joël Augros, "Le mythe de la production indépendante dans le cinéma américain," *Revue Française D'Etudes Américaines* 56 (mai 1993), 123-133.

[16] Ralph Frammalino and P.J. Huffstutter, "Can porn keep Hollywood afloat during strike?" *Los Angeles Times* (April 23, 2001), http://www.latimes.com/business/updates/lat_porno010423.htm

[17] Asu Aksoy and Kevin Robins, "Hollywood for the 21st Century: Global Competition for Critical Mass in Image Markets," *Cambridge Journal of Economics* 16 (March 1992), 1-22. See also, Michael Storper, "Flexible Specialisation in Hollywood: A Response to Aksoy and Robins," *Cambridge Journal of Economics* 17 (1993), 479-484.

[18] Storper and Christopherson (1987), "Flexible Specialization and Regional Industrial Agglomerations: The Case of the U.S. Motion Picture Industry," 115.

[19] 413 U.S. 15 (1973).

[20] A checker would carry the film across state lines to adult theatres, and the sweeper would travel the theatre circuit collecting commissions. Frederick S. Lane III, *Obscene Profits: The Entrepreneurs of Pornography in the Cyber Age* (New York: Routledge, 2001), 32.

[22] Lane, *Obscene Profits*, 51.

[23] Laurence O'Toole, *Pornocopia*, 165.

[24] This is changing. Kenneth Guarino, president of publicly traded X-rated company South Pointe, compares his retail video sales with those of Disney, particularly in box chains like Tower Records. John R. Wilke, "Porn Broker: A Publicly Held Firm Turns X-Rated Videos Into a Hot Business," *Wall Street Journal* (July 11, 1994), A1.

[25] Frank Rich, "Naked Capitalists," 54.

[26] Lane, *Obscene Profits*, 34.

[27] *Ibid*, 34.

[28] Joe Schlosser, "Adult channels mate," *Broadcasting & Cable* (March 15, 1999), 38.

[29] Emma Duncan, "Survey—E-entertainment: Sex, news and statistics," *The Economist* (October 7, 2000), S7.

[30] Frederick S. Lane III, *Obscene Profits*, 70.

[31] Debra Goldman, "Consumer republic," *Adweek* (April 23, 2001), 12.

[32] Ralph Frammalino and P.J. Huffstutter, "Can porn keep Hollywood afloat during strike?" http://www.latimes.com/business/updates/lat_porno010423.htm

[33] See Adam Finn, Nicola Simpson, Stuart McFadyen and Colin Hoskins, "Marketing Movies Online: How Does Canada Compare

to the U.S.?" *Canadian Journal of Communication* 25(Summer 2000), 367-376.

[34] Randy Barrett, "Trouble in Porn Land," *Interactive Week* (April 23, 2001), 14.

CHAPTER FOUR:

VIVID DREAMS

By far, the most successful adult film studio in operation today is Vivid. Thanks to hefty profit margins and seemingly endless demand, few major production companies are in fact *not* successful, but Vivid Entertainment still stands above the rest. Vivid's revenues since its inception in 1984 have fluctuated depending on the source, but industry estimates currently place it at around $25 million per year. Considering that its biggest production in the last five years capped out at $150,000, it is a company that makes lots of money, but then invests a large portion of that money back into the studio. Most importantly, Vivid has consciously emulated the old Studio System. The "Vivid Girls" define not only the epitome of the current porn star system, but also the company's most obvious attempt at branding. But is Vivid a typical or unique example of an adult entertainment company? In order to prove that Vivid's resurrection of the Studio System has been successful, I examine the following: What are the biggest and most important porn studios? Where are they located and how are they organized?

Why is Vivid an ideal case study for this project? How precisely does Vivid's production and promotion process mimic the Studio System? How can we measure Vivid's success with regard to sales and rentals, industry presence, and even within popular culture?

First, we must place Vivid within its geographic context. Seventy percent of all adult videos are produced in Southern California by dozens of adult entertainment production studios, the most notable being VCA, Wicked, Metro, and Vivid. Other companies, such Evil Angel, Elegant Angel, Anabolic, Extreme Video Associates, and Odyssey, are quickly gaining ground in sales and rentals. The reach and exposure of porn content has been delineated elsewhere in this thesis, but it is crucial to understand the competitive nature of the marketplace. Though distribution is international, production is centered in the San Fernando Valley north of Los Angeles, so much so that it is nicknamed Silicone Valley. Chatsworth and Van Nuys are particularly hot spots, housing enormous studios with permanent sets, including locales such as hospitals and restaurants.[1] Performers and skilled technicians take advantage of the proximity to Hollywood, as well as the entertainment culture that flourishes in the region. Porn

releases outnumber Hollywood pictures every year nearly thirty times over. Many of the successful porn companies cater to niche markets, but even the "mass market" porn available on pay per view networks outsell Hollywood movies despite higher prices and non-existent promotion.

The larger and more successful adult film companies are well-organized and well-staffed; VCA has nearly 100 salaried employees and state of the art facilities that can duplicate 400,000 videotapes a month.[2] Even smaller companies run by performers-turned-producers distribute their videos internationally and use the Internet to market their products more effectively. There are a handful of studios that have achieved both success and vertical organization. Vivid is not only the most lucrative adult content company, it also prides itself on borrowing the Studio System model to create quality entertainment. Vivid's conscious adoption of these kinds of business practices characteristics of the Studio System has been effectively revived in the adult film industry.

The production process at Vivid is more reminiscent of old school Hollywood than back room bacchanalia. At the major porn studios, as in mainstream Hollywood today, the basic procedure consists of development, casting,

production, post-production, and marketing. Some of these steps are simplified in the adult film industry; some are infinitely more complex than on the other side of the San Fernando Valley. Regardless of the similarities, Vivid strives to stand out from the rest of the business. Co-Chairman Steve Hirsch claims that Vivid's main goal these days is "brand name recognition as a quality company."[3] That "quality" translates into bigger budgets and better revenues, as well as more diversified and vertically integrated holdings. For example, Vivid recently launched its own brand of condoms and a street-savvy clothing line.

Development at Vivid involves more imagination than focus groups. "Greenlighting" is swift, often unofficial, and usually unfiltered. Although the studio executives will express support for and disagreement with project pitches, there must be extraordinary reasons to reject a proposed film—boundaries are most likely to be set by budgets rather than taste. Compared to many of its competitors, however, Vivid is somewhat selective about the movies it makes. The studio releases approximately 150 videos per year, twelve of those considered major projects. This may seem like a staggering amount of output, but not compared to companies like Odyssey Group Video, which

produces an average of 240 movies a year, each on lower budgets. It is a mere drop in the ocean of the more than 10,000 adult videos released in North America every year.[4] This number does not reflect entirely original products, either; most of the 150 Vivid films will be different versions of the same thing. Hard-core versions will be released on video, soft-core versions intended for cable networks, and versions distributed through hotel video networks will be somewhere in between.[5] One of the benefits of owning the performers' contracts is Vivid's ability to recycle their images--scenes from the big monthly release may be reused in different video compilations without penalty. The big projects may cost up to $150,000 each, but can generate ten times that in revenue through different exhibition windows. What sets Vivid videos apart is the company's aforementioned commitment to quality, and the branding of its performers.

The cornerstone of Vivid's success is the Vivid Girls. This contract system is the most blatant example of how the porn business has borrowed the Studio System model, particularly shades of Metro-Goldwyn-Mayer. To be a Vivid Girl is considered the apex of a porn star's career, only to be topped by actually making a successful transition to

mainstream Hollywood. The first Vivid Girl was Ginger Lynn, back in the mid-1980s. The current roster of actresses, which includes Kira Kener, Jenna Jameson and Briana Banks, earn in the ballpark of $100,000 per annum, instead of a salary determined per project and per scene. While this income is anemic compared to the salaries of Hollywood actors, it still rates highly within the porn industry, where the average *successful* female performer may earn between $300 and $1000 a day. Male performers often earn only a fifth of that. This contracted sum of $100,000 is earned by performing in perhaps nine films a year, two scenes per film, supplemented by promotional appearances.[6] Contracts can last anywhere from one to three years. It is a significantly higher income to work ratio than most actors in adult movies enjoy. The top stars may also augment that income by selling autographed pictures (and other more prurient items), enjoying special runs at strip clubs, or running a subscription-service website devoted to them. Being a "Vivid Girl" usually means you can command a higher fee for non-Vivid related work, such as exotic dancing; some high profile clubs will pay up to $20,000 a week for the privilege of hosting these performers.[7]

The status also affords them a creative control not

shared by other actresses in the business. As Vivid president Bill Asher notes, strong female characters "are not only in charge of the sex but the rest of the plot."[8] And similar to the Studio System in old Hollywood, porn maintains a mystique by rigidly closing sets to the public, except for lucky contest winners. As one performer has put it, "if they want to watch me have sex, they should buy the video."[9] Like professional athletes, porn stars have to worry about the length of their careers. While an adult entertainer's knee injury, although still surprisingly common, is less likely to bench them for a season, workplace risks such as drugs and sexually transmitted diseases, especially HIV, can significantly limit a performer's salad days.[10] Competitor studios such as VCA and Wicked have similar star systems now, but can still only support up to three performers at any given time.

Digital technology has been a mixed blessing for Vivid in this way, making video production not only cheaper for them, but also for all their competitors. Up to a third of all adult films currently made in the United States are courtesy of handheld consumer-range camcorders, and produced by amateurs rather than professionals.[12] Vivid's dedication to shooting features on film makes the cost of

transferring to video and DVD more expensive than for its competitors. The studio does everything possible to maintain a distinct look, including contracting an "in house" director and makes specific demands from the production and marketing department to sustain the "Vivid look," even on videocassette boxes. In addition to gifting Vivid contract actresses with gold logo necklaces, Vivid packaging is sexy, but subtle enough to engineer placement in large chain outlets such as Tower Records and Virgin Megastores. Some stores have increased their adult video sales by using soft core packaging that appeals to couples rather than single individuals--Castle Superstores, for example, boasts a clientele that is 50 percent couples, rather than the average 20 percent.[13] Vivid peddles its video wares through the popular Adam & Eve catalogue, which is mailed to more than 2.5 million subscribers monthly.[14] Until now, Vivid's main source of distribution has been cable and pay per view sales. The price of selling distribution rights to cable channels is surprisingly low--from $1,000 for a 90-minute hard core film to a satellite station to $25,000 for a soft core version to something like Playboy.[16] But the revenue stream to both the cable company and the network, owned by the originating porn

studio in many cases, is significant. If the channel sells the film in $10 blocks of time to even five million households, the 20 percent accounting for the network's share can mean $10 million being fed back into the studio's coffers for one film, which likely cost less than $100,000 to produce.

With Playboy, Vivid owns AdulTVision, Hot Spice, and other adult-oriented cable channels. In 1999, the fifteen-year-old Vivid bought a small cable channel called the Hot Network, and quickly expanded its base of subscribers from 6 million to 16 million, then signed 10 million households to an equally explicit sister channel, the Hot Zone. Vivid's successful move into cable porn boosted its bottom line to $14.3 million in 1999, compared to $5.6 million the year before. In May 2000, AT&T began carrying the Hot Network on its digital systems, and by the end of the year, five of the top eight major cable systems in the United States were carrying the channel, as well as direct satellite broadcasters like Direct TV. Vivid's biggest cable competitor, Playboy, has been in the unenviable position of relying on the Vivid video library to fill their programming, largely due to the fact that their styles and appeal to audiences is very similar.[17] Both

Vivid and Playboy work hard to appeal to couples and mainstream audiences, using soft lighting, attractive performers, and artistic standards that resemble Hollywood movies more than low-budget porn. Outside of traditional cable channels, adult films comprise 50 percent of pay per view revenues.[18] Hotel chain entertainment systems such as LodgeNet and On Command Corp. reach nearly two million rooms worldwide.

In order to compete with aggressive up and coming companies, Vivid has paid close attention to the importance of video store distribution and Internet promotion. During the 1990s, hard core video releases shot from 1,275 to 8,948. In 1998, adult rentals accounted for 686 million units in the United States alone.' It is a huge market. Vivid's relatively tasteful titles and packaging has allowed its videos to be marketed in mainstream video stores and retail outlets. Titles are vague enough to encourage enquiry *sans* embarrassment, such as "Jekyll and Hyde" or ambiguously artsy like "Pimp". Compared to the more obvious and pun-filled films like "The Bare Bitch Project" (Midvid, 1999) or "Cumback Pussy" (volumes 1-32, Elegant Angel), Vivid's title decisions are positively dull. As stated earlier, Vivid is able to make significant

profit, averaging a 15 percent net return annually, by reusing material from one feature in a number of different video and DVD releases. The DVD market in particular has propelled the company into new growth; 30% of Vivid video sales and rentals are estimated to be in DVD format. Like Hollywood studios did with new technology such as sound, colour, even video, Vivid is careful to use the medium's capabilities to enhance the viewing experience.

The company's approach to the Internet has undergone growth as well. After a few years of providing minimal content online, Vivid now promotes downloadable versions of their most popular releases, online chats with Vivid stars, and provides video material to other sites for a price. In fact, Vivid's decision to farm out its product to other Web sites (similar to Hollywood studio decisions to sell their film libraries to television networks in the 1970s) has meant greater exposure, a larger audience, and increased revenue just in the company's Internet division. The trafficking of adult content on the Web has been of concern to international governments and regulatory agencies, but is also a seemingly unstoppable force, and has opened up previously closed markets, such as the Middle East, for American pornography.

The efforts that Vivid makes in branding and promotion is necessary in an age where the bulk of the consumer audience has grown up with VCRs, cable TV and the Internet, and wherein increasingly sexual content is normalized. Despite the widespread availability (if not use) of the V-chip, which allows TV viewers to block out unwanted channels, implied or even graphic sexuality is not limited to adult cable networks. Television and magazine advertising, video games and the Internet are easily accessible sources of material considered by many to be questionable. Simply put, Vivid is not the sole source of porn in the United States. It is, however, one of the higher profile and well-regarded producers, at least among its peers. Much of its success can be attributed to the conscious effort that the company has made in emulating the Studio System style of organization and management. "We have always been the most mainstream of adult companies," said co-chairman Steve Hirsch. "We did that for a reason, to attract the largest audience."[19] Their business decisions have been made based on the lowest common denominator, and seem to be well-founded. No other adult entertainment company has enjoyed the exposure and success that Vivid has, even companies outside of the hard core

business.

[1] "The sex industry: Giving the customer what he wants," *The Economist* (February 14, 1998), 22.

[2] Frank Rich, "Naked Capitalists," *The New York Times Magazine* (May 20, 2001), 52-4. Also "Branded Flesh," *The Economist* (August 14, 1999), 56.

[3] Emma Duncan, "Technology and entertainment: Vivid imagination," *The Economist* (November 21, 1998), S15.

[4] *Adam Film World Guide 2001 Directory* (Los Angeles: Knight Publishing, Inc., 2001).

[5] I.e. no anal sex or extreme close-ups. Emma Duncan, "Technology and entertainment: Vivid imagination," *The Economist* (November 21, 1998), S15.

[6] *Ibid*, S15. See also: Rich, "Naked Capitalists," 56.

[7] "Branded Flesh," 56.

[8] Rich, "Naked Capitalists," 56.

[9] Laurence O'Toole, *Pornocopia: Porn, Sex, Technology and Desire* (London: Serpent's Tail, 1998), 185.

[10] The health hazards of the porn industry have been well-documented elsewhere. By the same token that Hollywood stars of the 1930s and 1940s were slaves to morals' clauses and studio-controlled relationships, porn stars today are subject to random drug and HIV testing. Disease, and even

death, is considered an occupational hazard, and is impossible to eradicate.

[12] "The sex industry: Giving the customer what he wants," *The Economist* (February 14, 1998), 22.

[13] Joel Stein, "Porn Goes Mainstream," *Time* (September 7, 1998), 55.

[14] Stein, "Porn Goes Mainstream," 55.

[16] Richard C. Morais, Brett Nelson and Robert La Franco, "Porn Goes Public," *Forbes* (June 14, 1999), 216.

[17] Joe Schlosser, "Adult Channels Mate," *Broadcasting & Cable* (March 15, 1999), 38. Vivid purchased Spice in March 1999 for $25 million, shortly after Playboy had acquired it for $100 million. Morais, Nelson and La Franco, "Porn Goes Public," 215.

[18] Ibid, 214.

[19] Beatty, "Cable Operators Find New Profit in Pornography," B1.

CONCLUSION

In May 2003, the Federal Communications Commission in the United States eased up on the restrictions that govern ownership in the entertainment industry. Despite the continued prominence of Hollywood products and culture around the world, the debate over the distillation of that power still rages, much the same way it did at the time of the Paramount Decree. Because of its relatively minimal stature, and the stigma that surrounds it, the pornography business has been able to avoid getting tangled up in this kind of criticism. Perhaps people believe that because of porn's illicit nature, it deservedly receives less attention from the leftist pundits scouring all industrial organizations for infringements against democracy. But in fact, the phenomenal global success of porn should ensure its critical awareness.

This thesis has attempted to answer the question, "How has the pornography industry successfully resurrected the Studio System?" I have tried to draw parallels between the two systems through comparison of the respective industries' star system, the organization of production and

distribution, as well as flexible specialization and the use of new technology. The most successful adult entertainment company today, Vivid, is an example of the revival of Studio System management and industrial organization practices. Specifically, the contemporary porn production industry in Southern California shares the following salient characteristics with the Studio System:

1. Performers are contractually obligated by one particular studio at a time. In comparison, modern Hollywood actors are "free agents," and are available project by project based on salary demands and creative requirements. Porn stars are bound to a particular producer or production company, similar to actors in Studio era Hollywood. This obligation includes willingness to participate in studio-arranged publicity and image "branding."
2. Similar to motion pictures in the 1930s and 1940s, porn products (e.g. movies) are differentiated by style and content, making each adult studio distinct and identifiable.
3. The pornography business and Studio era Hollywood have both adapted quickly to new technology that helps them reach audiences better. Innovations in the Studio

System such as sound, colour, and Cinemascope were all quickly appropriated in attempts to attract a sometimes fluctuating audience. Porn latched on to technology such as video, DVD and the Internet in a similar fashion, but with slightly different motivations. Whereas Hollywood is attracted to technological novelties in order to keep existing audiences and draw in new viewers, porn's use of technology is primarily motivated by the desire to provide enhancements to an already loyal audience.

4. Both porn and the Studio System are characterized by a highly stratified mechanism of mass production, distribution and exhibition. Ownership and management is centralized, and each studio maintains tight control over product marketing and retail/rental distribution.

However, there remain several points of divergence between the Studio System and contemporary porn production. The economic risk undertaken by porn producers, regardless of the popularity of the genre overall, is much greater than in Studio era Hollywood. Film studios in the 1930s maintained a stranglehold over the market that porn simply cannot reproduce. Thanks to audience fragmentation due to

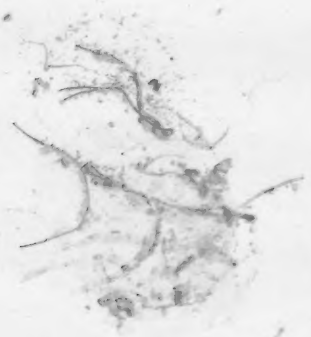
home video, gaming, the Internet and other media activities, the captivity of movie viewers is no longer guaranteed, or even hoped for. Also, there remains a moral distinction between Studio System movies and porn--ultimately, the purpose for these entertainment products is very different, and not equally acceptable in contemporary society. Issues of censorship constantly shroud the porn business, while self-regulation was an important part of 1930s Hollywood. Admittedly, the Production Code that guided the morality of Hollywood films (if not also their audiences) was abandoned when the Studio System collapsed, but the desire to guide audiences by rating content remains a concept relatively foreign to the porn industry. Also, the very nature of pornography demands an increasingly private viewing environment, which distinguishes it from not only Studio System Hollywood, but also the current mainstream film industry. The response to this need for discretion is guided by technology and theme specificity, not a move to increasingly generic content in a desperate attempt to attract dwindling audiences. It could easily be argued that the current porn business and the Studio System have as many points of difference as they do of similarity, but ultimately we have to decide which of these

distinctions are materially *characteristic* of each industry.

The question that perhaps should be asked next is "Based on the vast success of the business model that porn is now using, why hasn't Hollywood reappropriated it?" One answer may be that porn's success is considered by many to still be unproven. Regardless of the true statistical breakdown of the industry, it seems clear that pornography continues to be prominent in both the local entertainment economy and popular culture. The "creative accounting" problem that porn shares with Hollywood is only an indication of flagging self-esteem, not flagging box office. Many of the conditions that led to anti-trust suits against the Hollywood studios in the 1940s and 1950s are in fact reoccurring today as attractive byproducts of conglomeratization. For example, block booking and blind bidding, which were concluded by the Paramount Decree to be unfair business practices, have been re-energized in the form of in-company cable and network sales. The addition of new technology over the last fifty years, such as television, video, cable and satellite networks, has effectively encouraged massive synergistic media mergers and led to an increasingly vertically integrated industry.

Perhaps this is ultimately the reason why mainstream Hollywood has not breathed new life into the Studio System--the infrastructure is simply too large and unwieldy to make it effective. One way that disgruntled employees fought against the Studio System in the 1950s was to establish unions and independent agencies. The difference in the porn business is that few performers, if any, have the clout to bend the studios to their will this way. "Vivid girls are a lot easier to replace than the likes of Julia Roberts, not least because they appeal to the least discriminating parts of the consumer's brain."[1] But as long as there continues to be a demand for adult entertainment, porn studios are unlikely to give up control over the business and product, including their stars. Ultimately, porn's success may be its downfall--as it becomes more accepted in the mainstream and more profitable, the subsequent growth of production companies in America and around the world will lead to conglomerates similar to those in Hollywood. Under such infrastructural pressure, the industry may continue to adjust their business practices to changing circumstances.

[1] "Branded Flesh," *The Economist* (August 14, 1999), 56.



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